

The NATIONAL UNDERWRITER

Life Insurance Edition



"Life Insurance? — tell him I don't need any"

As a life insurance man you know this statement can't be true as often as it is made. Most men need life insurance.

Yet the statement is common in the business. It's the major hurdle for life insurance agents. It's one of the reasons why life insurance selling requires a considerable measure of persistence — persistence to the point where many life insurance men are apt to ask:

"Are we too persistent? Are we getting ourselves disliked?"

As one of the results of a broad study on the subject of life insurance we have some interesting answers to this question. This study was made for us by an outside organization. Almost invariably the person interviewed would comment favorably on the helpfulness of life insurance agents, and on the soundness of their

advice. Rarely was there adverse criticism because of persistence.

This is one of the reasons why we believe the future of the life insurance business looks better than ever, and why we think it's a fine business to be in. The evidence is that the time and thought which has been put into persuasion is appreciated even by many who once were strongly disinclined toward life insurance.

*Eighty-three
years of growth.*

*Insurance in force
December 31, 1945
\$7,256,618,763*

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

GUY W. COX
Chairman of the Board

PAUL F. CLARK
President

FRIDAY, MAY 3, 1946



LIFE INSURANCE IN SMALL PACKAGES

That's what Industrial insurance is, Life Insurance in small packages, . . . Life Insurance that is within the reach of people of even the most modest income.

And it is backed up with the personal service of the agent who calls to collect the premiums and thereby provides that additional assistance which makes it possible for millions of people to have protection who otherwise couldn't have it.

Furthermore, there is a premium mode to fit any need, . . . from weekly to annual, and a policy contract for every purpose.



The
**NATIONAL LIFE
AND ACCIDENT
Insurance Company, Inc.**



*... it does
repeat*

Past performance is a reliable guide to future expectations. Consider Continental Assurance on the basis of its history...uninterrupted increase in size and prestige each and every year since inception is *proved* ability to weather every economic storm and business change.

AND...history does repeat.

**One of America's Largest, Strongest
Life Insurance Institutions**

Continental
ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliates:

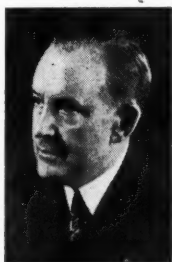
**CONTINENTAL CASUALTY COMPANY
TRANSPORTATION INSURANCE COMPANY**

Mo. State Assured Come Out Whole; Celebration Held

**Honor General American
and Head as Liens
Are Extinguished**

By **HOWARD J. BURRIDGE**

ST. LOUIS—Echoes of the crash of Missouri State Life in 1933 were put to rest Tuesday when Walter W. Head, president of General American Life, announced before 800 business and professional leaders at a dinner here that the company had applied \$4½ million of earnings on Missouri State assets to complete the elimination of the liens originally imposed in 1933.



Walter W. Head

The failure of Missouri State Life impaired the policy reserves by \$29 million and terminated the insurance of the holders of 519,000 policies and certificates. Prior to its failure, it was the largest life insurance company west of the Mississippi.

General American acquired the business and assets Sept. 7, 1933, under a purchase agreement designed to recoup, so far as possible, the losses which policyholders had suffered. General American stipulated that for a period of 15 years the net earnings on assets and re-insured business together with the amount of enhancement in value of assets after the provision of reserves, would be used to reduce or retire policy liens and interest paid thereon. The elimination of the principal of the liens now completely offsets the entire original loss on outstanding policies two years prior to the expiration date of the agreement.

Interest Was Extra Premium

The interest rate on liens of 5% was, in effect, an extra premium, two-thirds of which replaced the required interest earnings on the vanished reserves and one-third of which allowed General American to pay all death claims in full during the 15 year term of the agreement.

In the 12 years and eight months, it has paid to policyholders more than \$200 million—\$90 million death claims, \$11 million disability claims, \$78 million maturities and values withdrawn, and \$21 million in the reduction of policy liens. The lien reduction of April 30 was sufficient to bring the total paid or credited by the company to 110% of the original liens of policies in force. Not only has the principal of the liens now been wiped out, but a portion of the extra premium or lien interest (equal to 10% of the original lien) has been refunded.

It was a jubilant occasion—an evening of rejoicing for life insurance as an institution, and a resounding personal tribute to Mr. Head. The bewildering complexities that followed the taking over of the Missouri State Life, the unsavory nature of much of the opposition to the plan that was completed, the

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Chicago Congress Colorful Blend of Fact, Inspiration

Most of the 900 who attended would agree that last Saturday's sales congress of the Chicago Association of Life Underwriters was the most colorful ever held. There were sales talks, of course, plus inspirational talks, plus a discussion of the international situation.

The proceedings were afforded a spirited opening by group singing led by Ross Anderson, secretary of the Oak Park chamber of commerce, with Milton E. Ladish, general agent of Businessmen's Assurance, at the piano.

H. Kennedy Nickell, Connecticut General, association president, delivered the address of welcome. T. A. Lauer, Northwestern Mutual, Joliet, retiring president of the Illinois Association of Life Underwriters, presented the incoming officers of that group. The meeting was then turned over to Harry H. Schultz, Mutual Life, who together with William D. Davidson, Equitable Society, were co-chairmen for the congress.

Mr. Schultz introduced Clancy D. Connell, president of the National Association and general agent of Provident Mutual in New York City. Mr. Connell praised the Chicago Association as being outstanding in that it meets what he termed the true measure of an association's worth, that is, it takes full advantage of its potentialities.

N.A.L.U. at Peak

Turning to a discussion of national problems, Mr. Connell said that as of April 1 the N.A.L.U. numbered 38,207 members, a record high, but he warned that, because there are approximately 110,000 life insurance men in the U.S., the N.A.L.U. could hardly expect to have much of a voice in Congress. He



L. W. Douglas



C. D. Connell

said that for the national organization to be truly representative of producers in the industry, its membership should number at least 50% of all the agents in the country. He pointed out that the sights of the N.A.L.U. were set on 45,000 members by the time of the Cleveland convention and that the growth over April 1 of 1945 was 5,792 members.

Mr. Connell said that within a month he expects the National Association will announce its choice of a full time counsel to devote his energies to state legislation. He said that the choice of men for this position had recently been narrowed from 33 to 3 men.

Mr. Connell declared that the kind of field force that will represent the industry for the next decade depends upon the discretion of general agents and managers in the next six months in selecting agents. He said that as of V-J Day the industry had the finest field force in its history and enjoyed the highest public esteem and that this quality must continue.

He recounted numerous stories of life insurance in action which he has gleaned from an extensive survey of veteran agents and said that he intends to have a collection of similar anecdotes published in the near future.

Chairman Schultz then introduced the

first speaker on the veterans panel, Glenn D. Commons, district manager for Penn Mutual at Aurora, Ill. Mr. Commons had served 44 months in the army air forces, much of it in Europe and was discharged recently as a major. Mr. Commons characterized NSLU as a springboard to better sales. He said that as an army insurance officer he could see that Uncle Sam's endorsement of insurance through NSLI sold a great many men on the worth of such coverage who had scarcely given it a thought before the war. He made the mouths of his hearers water recounting how he sold \$20 million worth of insurance in two weeks during a drive at his air base in Birmingham, Ala.



J. B. Glasser



George Huth

Mr. Commons maintained that battle conditions and climate awoke many a serviceman to the impermanency of life and therefore made him insurance conscious. He urged civilian insurance agents to continue to provide counsel to veterans, pointing out to those who were considering dropping the covering that substantial dividends are due before too long on NSLI, because not one penny of premium has gone or will go for death claims. These claims are paid out of a reserve fund for this purpose which has no connection with premiums, he said.

Vet on Debit

Next speaker on the veterans panel was Nate J. Brown, industrial agent for Metropolitan Life at Berwyn. Mr. Brown said that while he was stationed at Guam as a sergeant in the A.A.F. he had plenty of time to think over his 10 years as an industrial agent and to decide that when he got back in mufti he wanted to be better equipped for his business than he had been previously. He enrolled in the insurance correspondence course of the armed forces institute and kept in touch with the business trends at home, so that when he got back on the debit and completed the training offered by his company, he was better equipped as a life insurance man.

Mr. Brown said that among the things that surprised him upon his return to a debit of 400 families, was that so many people in the lower income brackets were making more money than ever before, saving more than ever and investing huge amounts in war bonds. Yet these same people, he said, had only in a few instances increased the insurance protection which they took on in harder times even though their needs and ability to pay for such a protection had increased materially.

He said that among the people on his debit there were numbers whose financial status had changed materially. He told of two ex-machinists who recently went into business for themselves. One year ago they were prospects for \$1000 or \$2000 worth of insurance, he said. Their little business turned into a booming enterprise and recently he wrote

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Sparks Fly at Hearing on A. & H. Experience Call

**N.A.I.C. Group at
Chicago Hears Blast
Against Zone 4 Move**

Sparks flew from the swords of industry spokesmen in registering protest with the insurance commissioners' A. & H. committee at a hearing at Chicago Monday evening, against the resolution adopted by the zone 4 commissioners at Pierre, S. D., March 6-8 calling for A. & H. insurers to furnish underwriting experience for the years 1942-45 inclusive, according to type of policy. Some of the commissioners that are opposed to the zone 4 resolution also had some sharp comments.

The commissioners' committee held the hearing at the request of Harold Gordon, managing director of the Health & Accident Underwriters Conference. It was sandwiched in during two days' deliberation on other topics—the first day on revisions and additions to the policy guide and the second day on franchise definition and house finement clause.

The Monday evening session continued until after 11.

Mr. Gordon started off by stating that Commissioner Forbes of Michigan, chairman of zone 4, has sent out a request for underwriting experience by policy forms. Many companies say they haven't got such experience and can't get it, Mr. Gordon declared.

What Is the Penalty?

"What will happen to a company that can't and doesn't furnish the information? Is its license going to be revoked?" he asked.

Parkinson of Illinois, chairman of the A. & H. committee, said he recalled at a previous commissioners' meeting the question of furnishing A. & H. loss experience on a refined basis was suggested, but at that meeting no joint action was taken, as the point was made that the individual states could ask for such information if they wanted it. Cecil Fraizer, former Nebraska commissioner and now general counsel of the H. & A. conference, said, according to his recollection, this agitation was started by Minnesota.

Commissioner Kavanaugh of Colorado got into the fray, expressing indignation at the zone 4 action.

"There is a limit to what we can do in pushing the companies around," he said. "I have seen insurance commissioners come and go and fade like the mist under a June sun. We should pay more attention to building up the companies and not tearing them down. We should refrain from making trouble for them and should put this resolution on the table. There is too much of this kind of thing. I am unalterably opposed to it and Colorado will certainly not ask for it."

Calls It a "Witch Hunt"

George Goodwin of the Connecticut department said that at the zone 1 meeting at Hartford the other day, the unanimous opinion was that zone 4 had gone too far and the zone 1 group wanted nothing to do with the program and if there is any way in which they

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Text of Proposed Revision of A. & H. Policy Guide

Herewith is given the text of the changes in and additions to the "Official Guide for the Filing and Approval of A. & H. Contracts" as recommended by the commissioners A. & H. committee at Chicago this week.

Page 8 II. GUIDE FOR REVIEW OF CONTRACTS

Delete the present paragraph and substitute the following:

"(This guide is applicable to the approval of accident and health policies issued to individuals and to family expense contracts, when not subject to group or blanket accident and sickness statutes.)"

BRIEF DESCRIPTION

In section 3 delete the following words:

"Ticket policies issued only at transportation offices are excepted."

And new section 6.
"The word 'non-cancellable' shall not be used unless the policy is both non-cancellable and guaranteed renewable to age . . ."

Add new section 7.
"If the policy does not cover accident or sickness arising out of or sustained in the course of the insured's occupation, the word 'non-occupational' shall appear in the brief description, unless a rider signed by the insured excluding occupational coverage is attached."

LIMITED POLICIES

Under "Limited Policies" delete section 1 and substitute the following:

"A limited policy is defined as one that insures against specific hazards with a general exclusion of or reduced benefits for all other hazards, as contrasted with the regular type of policy which insures against all accident or health hazards, or both, enumerating specific exclusions, limitations, or reductions."

"All limited policies shall be so identified by having the words 'This Is a Limited Policy—Read It Carefully!' printed diagonally across the face of the policy and the filing back in contrasting color from the text of the policy and in outline type not smaller than eighteen point. When appropriate, these words may be varied in a manner to indicate the type of policy; as for example, 'This Policy Is Limited to Automobile Accidents—Read It Carefully!'"

Page 9

NAME OF INSURER

Eliminate present language and substitute the following:

"Each policy must bear the corporate name and address (city and state) of the insurer by which it is issued on the face and filing back. The name of the agent, broker or underwriter, if permitted by the insurer, shall appear with less prominence than the name of the insurer."

TIME POLICY TAKES EFFECT AND TERMINATES

Under "TIME POLICY TAKES EFFECT AND TERMINATES" insert the word "clearly" between the words "must" and "express."

PREMIUMS

Add the following paragraph:
"No policy shall contain any provision which professes to establish the date of payment of renewal premium as other than the date when such payment is made to any authorized agent or deposited in the U. S. mail."

Page 10

IDENTIFICATION

Delete paragraph under caption "Identification", substitute the following:

"Identification clauses are often misleading, are of very little value to the insured and should not be approved in any form."

Page 11

ENDORSEMENTS

Strike out the present paragraph under "Endorsements" and substitute the following:

"An endorsement differs from a rider only in that it is applied to a policy by means of printing or stamping on the body of the policy. If the endorsement reduces or eliminates coverage of policy, signed acceptance by the insured is necessary."

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OPTIONAL STANDARD PROVISION 20
Under "Optional Standard Provision 20" delete the word "light" and substitute the word "bold."

IV. GENERAL MISCELLANEOUS OR ADDITIONAL PROVISIONS

In the first paragraph, second line, eliminate the words "precede or".
To the second paragraph, add the following:

"In any policy which is renewable at the option of the insurer only the re-

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A & H Bureau Enunciates Position on Regulation

Treats Policy Provisions and Advertising; Claim Practices, Rates

A carefully prepared statement of the convictions of the Bureau of Personal Accident & Health Underwriters as to how their business should and should not be regulated by the states was read to the insurance commissioners A. & H. committee during a hearing at Chicago Monday evening. The problem of regulation is treated in respect of policy provisions and advertising, claim practices and rates.

The statement was read by Paul H. Rogers, assistant secretary of Aetna Life. It was written mainly by Berkeley Cox, counsel of Aetna Life, in harmony with the consensus of the bureau committee.

The hearing Monday evening was called by the commissioners committee to hear the protest of the industry against the resolution adopted in March by the zone 4 commissioners calling upon the insurers to furnish underwriting experience for the years 1942-45 inclusive by policy types. While the statement read by Mr. Rogers did not touch on that subject specifically and did cover a number of other subjects it was pertinent as setting forth the general considerations that cause the industry to rebel at such proposals as that of the zone 4 group.

The statement is given herewith:
Accident and health insurance is written in the United States by several hundred insurance companies. Many are small companies operating in one state or a few states; others are larger and operate country-wide. A great many of these insurers write only accident and health insurance. Others are life insurance companies which offer accident and health policies as well as life insurance policies. Still others are companies writing a general casualty insurance business which have accident and health insurance departments. In addition to the coverages offered by insurance companies, insurance in this field is furnished by non-profit hospital associations, employees' benefit associations, fraternal societies and other organizations. The insurance companies compete not only with each other, but also with these other organizations. Accident and health insurance is probably the most highly competitive branch of the insurance business.

A very substantial portion of the total population of the country now has some form of insurance against the hazards of accident or sickness or both. The growth of this insurance in the last decade or two has been phenomenal. The total premium income of all insurance companies from accident and health insurance is now about \$600 million a year. This growth is continuing and a continually larger proportion of the total population is being insured.

Variety of Protection

The growth in the volume of the business has been accompanied, and largely caused, by a marked development of new coverages, policies and methods. There is a wide range of individual policies falling generally within three main classes, called in the terminology of the business commercial, industrial and non-cancellable. These policies provide insurance in varying combinations against death and dismemberment due to accident, disability due to accident or sickness or both, hospital and other medical expense. There are special automobile accident policies, policies insuring only against aviation hazards, and accident ticket policies sold for as little as twenty-five cents to provide one day's insurance. Policies insuring families are a comparatively recent development to meet a public demand for such coverage.

These necessarily require individual underwriting and should be classed with individual policies.

There has been a great growth in the field of group accident and health insurance, for the most part issued to employers to provide income to employees while disabled, or hospital, medical and surgical benefits for employees or for employees and their dependents. Group or blanket policies are also available to labor unions insuring their members, to schools and summer camps insuring teachers and students, to volunteer fire companies insuring their members against death or injuries incurred in line of duty, and for other special purposes.

Accident and health insurance, therefore, is a large and rapidly growing business conducted by a considerable variety of organizations, some operated for profit and others as public welfare institutions but all spurred by active competition with each other, and in the conduct of which there is still a great deal of trial and error, of initiative and experimentation. There is no single pattern of forms or coverages, there are no rating bureaus, and for the most part each insurer determines on its own initiative what it will offer and what it will charge for its policies. The problem of regulation of such a business is not one of eliminating restraints of trade or monopolies. The problem, as we see it, is to determine what abuses exist in the business and to try to correct those abuses without stifling the initiative, invention and competition which make the business responsive to public needs and desires. It is not primarily a problem of rate regulation, and it comes within the orbit of "state v. federal regulation" because of the federal trade commission act rather than the Sherman act.

Three Phases of Regulation

The problem of regulation of accident and health insurance may become clearer if it is considered under three headings: (1) the provisions of contracts and the description of such provisions in advertising material, (2) claim practices, and (3) rates.

1. Policy provisions and advertising—What may be called the administrative provisions of individual accident and health policies (i.e., provisions relating to change of occupation, reinstatement, notice and proof of claim and the like) were dealt with more than 30 years ago by the state insurance commissioners and the industry in drafting a standard provisions act for accident and health insurance. This act has been adopted in 23 states, and with modifications in several others. The fact that it has served its purposes well through many years attests to the skill and knowledge of those who drafted it. Changing conditions and the test of experience have indicated that some revision of this law may be in order. The accident and health committee of the N.A.I.C. has such a revision under consideration at the present time. The proposed changes in the standard provisions themselves are not great, but it has been suggested that the revised law give the commissioner power to disapprove policies which he finds contain ambiguous or deceptive provisions, or which he finds are sold by means of deceptive advertising. It is also proposed that certificate, endorsement, rider and application forms, as well as policy forms, be filed with the commissioner and that he be given the power to disapprove such forms. Other changes are suggested to lessen technical difficulties which have arisen over required size and style of type, and to include family policies as well as those issued to insure one person. We believe such a revised standard provisions law should be included in the general program of insurance regulation submitted to all states.

Whether any attempt should be made

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McCormack Calls for Action at Portland Meeting

J. M. McCormack of Tennessee, as president of the National Association of Insurance Commissioners, has addressed the members urging them to be fully prepared to act on all matters at the forthcoming Portland convention. He said that this will be a time to make decisions and he doesn't want to hear any reports in which action is deferred or a subcommittee is appointed to study the matter further and report at the next meeting or that "progress" is being made. He said the practice of appointing subcommittees should be discouraged inasmuch as the full committees are nothing but subcommittees of the association as a whole.

Mr. McCormack asked committees to report to him the names of any commissioners that are indifferent in their attitude and Mr. McCormack said he will make new appointments. Also he declared, commissioners should discourage unfounded criticism of state supervision at committee meetings. "The practice of using the commissioners' meeting as a springboard for a group of crackpot criticisms of state supervision should be challenged." The privilege of the floor at any committee meeting should only be granted to commissioners and authorized representatives of insurance departments and to other persons who have proper business to present in a proper and courteous manner. . . . The privilege of the floor should not be abused by any person.

Mr. McCormack declared that the work of some committees such as the executive committee and that on federal legislation has been over-emphasized. Other committees are equally as important. The members should religiously attend the meetings of the committees to which they belong or send a deputy or other representative.

He urges members of committees to get in touch with the chairman and insist that committee meetings be held, preferably a few days prior to the Portland meeting.

Bills to Curb Harrington's Authority in Mass. Fail

Commissioner Harrington came out on top in the case of measures aimed at his authority in the Massachusetts legislature this year. One bill providing for judicial review of the insurance commissioner's orders, on basis of facts as well as law; another bill calling for an investigation of the acts of the insurance commissioner in connection with the admission of foreign companies; and still another, a third, bill, requiring hearings and reports by the insurance commissioner on payment of fraudulent claims by insurance companies, were all killed in one or the other branch of the legislature during the past week.

F. H. Groel Trustee

NEWARK—At the annual meeting of the Hospital Service Plan of New Jersey, held last week in Newark, N. J., Frederick H. Groel, secretary of the Prudential, was elected a trustee, succeeding the late Edward E. Rudloff.

Martin Elected President of Manhattan Mutual

R. P. Martin, with Manhattan Mutual Life, Manhattan, Kan., since 1929, has been elected president. He succeeds S. A. Bardwell, now 76, who had been president since 1929. Mr. Bardwell will remain as treasurer and chairman of the investment committee.

Mr. Martin has been a director since 1933 and served as assistant secretary, secretary and secretary-treasurer.

E. A. Shields was elected secretary and M. F. Fulton, assistant secretary. New directors are Mr. Shields and E. E. Griffith.

Managers Parley at Chicago Emphasizes Training Methods

The Life Agency Managers Conference held in Chicago in conjunction with the annual meeting of the Illinois Association of Life Underwriters and the sales congress was one of the most productive and fruitful management sessions ever conducted in the state. Freeman J. Wood, Lincoln National, president of Life Agency Managers, presided and W. E. North, New York Life, moderator, introduced the speakers.

These included V. B. Coffin, vice-president and superintendent of agencies Connecticut Mutual; Stuart Smith, manager Connecticut General at Philadelphia and three who took part in a recruiting panel: Robert W. DePau, Prudential; E. R. Small, Lincoln National at Peoria, president Peoria association, and Henry W. Persons, Mutual Life, Chicago.

Not Enough Training

More failures in life insurance selling are due to too short, ineffective training than to poor selection, Mr. Smith said in a talk on "Training of Agents to Write Business Now." Too many life agents think they are good when they are not. Selection can be improved some, and perhaps even so that the actual agent maturity gains 10%, he said, but training can be greatly improved. There are more men lost in the agencies because they are not trained long enough than because of any other reason.

He said it is likely an estimate of 20% agent maturity is too high. In his agency he has achieved the mark of 90% agent maturity and \$10,000 minimum annual premiums per man. Progress in management, he commented, probably should be defined as net gain in maturity of agents who can operate successfully after they are trained.

There is a limit as to the number of men we can hire and train," he said; "the percent matured and level at which they are matured determine profit. If we propose to train men more carefully we will have to hire less men. The less men you hire the more essential it is to improve the percentage who mature and to reach a higher level of maturity.

Old Method Must Stop

"This idea of running people in and out of the agencies like cattle must stop. The public won't stand for it much longer. We have experience and ability. The question is how we can cut out non-essentials and think the job through."

He said training should begin with the concept of what the life underwriting job is in the mind of the agency management. This won't be found in home office courses or printed text books, he said. If agencies are made up of men of mixed philosophies, or are opportunistic, and so forth, this requires many kinds of training. The life insurance company and agent owe the public not only sanctity of contract and integrity of funds but also the obligation to insured to do a good planning job. Management must determine first what it and its agents owe the public; after that, how much they can deliver.

The manager should ask himself what will his agents offer and when that question has been answered, he said, the agents may have an approach down on paper. Then the manager should ask what his agents are going to deliver, for they must not promise more than they can. The answer to this defines what they must construct. The next question is what must the agent know to deliver what he promised and construct to deliver what he promised. This also defines what supporting materials the management is going to furnish its agents and what techniques and skills

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Business Leaders Honor Ohio State

Business and professional men of Columbus joined with Ohio State Life in a dinner commemorating its 40th anniversary. President Claris Adams presided and speakers were Robert L. Hogg, manager and general counsel American Life Convention, Chicago; J. M. Holcombe, Jr., managing director Life Insurance Agency Management Association, Hartford, and Howard Bevis, president Ohio State University.

Mr. Hogg pointed out that the occasion marked the 20th anniversary of Mr. Adams' entrance into life insurance and his 10th anniversary as president of Ohio State Life. He said life insurance, which was permanently seeded in this country 100 years ago, has passed through wars and depressions and in the last 40 years has reached a development approaching perfection.

Great Public Demand

"It is probable," he said, "that the great good done by life insurance companies in behalf of their policyholders throughout the years has spurred American thought in the direction of higher living standards and social betterment for the great mass of people. We have seen, particularly in the last several months, an amazing demand for life insurance coverage. Sales of new life insurance have reached unprecedented volume."

Mr. Holcombe said that in addition to reading, writing and arithmetic, the schools might teach children more about risks and the means of handling them, thus preparing them for life's problems. He said that with marine, fire and casualty insurance, one may never suffer a loss, but in life insurance life really is not a risk but a certainty; the real risk, he said, is the time when death shall come.

Mr. Holcombe declared world peace

Hill Endorsed for National Trustee

Herbert R. Hill, district manager at Richmond for Life of Virginia, has been



Herbert R. Hill

unanimously endorsed by the Richmond Association of Life Underwriters and the 14 other locals in Virginia, as well as by the Virginia association, for election as trustee of the National association at its annual meeting in Cleveland. The Richmond association at its April meeting named a "Hill for Trustee" committee: H. F. Sharp, manager Atlantic Life, chairman; J. W. Tyson, general agent Massachusetts Mutual; Fred Bunnell, New England Mutual; H. D. Goddin, general agent Equitable of Iowa; J. C. Bristow, general agent Home Life of New York; E. D. Wilson, manager Mutual Life.

Mr. Hill is a past president of the Richmond and Virginia associations. In the last 18 months he has spoken before more than 30 local and state associations in 10 states.

In March, he was strongly urged for election as trustee to fill the unexpired term of E. Dudley Colhoun of Roanoke when the latter resigned upon being elected superintendent of agencies of Shenandoah Life, but he requested his name be withdrawn in favor of a field man.

will come as a spiritual, not a political achievement, and that life agents can play a prominent part in bringing about this spiritual determination to end war and establish peace in the world.

Collier's Survey of Insurance Shows Interesting Facts

A survey made by Collier's magazine assisted by the Institute of Life Insurance and the National Board of Fire Underwriters has revealed a number of interesting facts on savings and insurance.

It reports that 33% of those questioned have been unaware of any life insurance advertising in newspapers, magazines or on the radio. Of those aware of advertising, 45% recalled a company name from magazine ads, 42% from radio and 26% from newspapers. Recognition of any life advertising was greatest in magazines with 58%, radio and newspapers trailing with 34% and 30% respectively.

Asked what kind of information life advertisers should give, 72% asked for more facts about policies. Recommendations for families of varying sizes and incomes, more information about the company and benefits of life insurance were other points of information most desired.

Life insurance is the most popular method of savings next to war bonds in all income groups. Of life buyers, 80% purchased their first policy before age 26.

The survey showed that although 35% of policyholders bought their last policy within the past four years, less than half recall the name of their carrier. Life insurance is regarded as a current expense by 19% of policyholders.

Knowledge of the company is the greatest factor in determining life purchases in all age groups, Collier's said, with counsel of the agent second. Only 9% follow some prearranged plan of purchasing additional coverage, but younger men are more alert to regular buying than others.

In all life buying, the greatest single reason is family protection, with investment second during the first purchase, changing to building a retirement fund as insured grows older.

The agent is the greatest outside counsel in directing life purchasing with wife, father, employer, mother and friends running behind in order.

Of those questioned, 22% indicated plans to buy more protection and plans most favored in order are 20 pay, ordinary, annuity and endowment.

Accident and health or hospitalization is carried by 68% of families questioned, but only 31% remembered the name of their company.

The survey was in the form of a mail questionnaire sent to 2,000 male Colliers' readers throughout the country. Letters were sent under the assumed name of A. G. Fry & Associates to avoid bias or prejudice and were apportioned by individual states and city size groups in accordance with Collier's circulation pattern, which is 85% urban. The survey was based on returns of 913 persons or 45% of total mailing. It was sent only to males and reached income groups by percentages as follows: Under \$2,000, 12%; \$2,000-3,000, 28%; \$3,000-5,000, 34%; \$5,000-10,000, 18%; over \$10,000, 8%.

Brosmith Leaves Travelers for Private Law Practice

Allen E. Brosmith, attorney in the legal department of Travelers, has resigned to become associated with the Hartford law firm of Harrison, Sage & Phelon. He graduated at New York law school and went with the New York office of Travelers as a trial lawyer. He has been at the head office since 1919. His father was William Brosmith, who was vice-president and general counsel of Travelers.

Zuehlke to Aid Association

William H. Zuehlke, Jr., recently released from the navy, and formerly with Harris, Hall & Co., of Chicago, has become associated with Aid Association for Lutherans as assistant treasurer.

Income Use of Benefits

The Institute of Life Insurance has just announced that "the use of life insurance benefits, to set up continuing income plans, reached a new high point in 1945, when 41 percent of ordinary life and group insurance death benefits and endowments were set aside by policyholders of the country for future payment.

"These income plans are paying out to American families at an increasing rate, \$300,000,000 being paid them by the life companies last year, a record amount. These income payments have more than doubled in the past ten years and are now annually more than total life insurance death benefit payments in 1917."

That is evidence of the fact that life underwriters have achieved great results from their commendable effort to teach the public that what the people want from life insurance, primarily, is the continuation of the family income.

+ + +

THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Sharp Debate Over Proposed Limits in Model Group Bill

NAIC Committee Hears Discussions on Standard Provisions

Two predominating thoughts permeated discussions of the proposed model draft of group life definitions and group life standard provisions before members of the life committee and group life sub-committee of the National Association of Insurance Commissioners at the Edgewater Beach hotel, Chicago, this week.

Conclusions reached in executive session will be submitted to the June meeting of the N.A.I.C.

There was a distinct rift between those who believed such extension tended to retard agents in writing individual

policies. Much discussion also followed a proposal to limit the amount of individual coverage.

The charge of "Petrillo" procedure in attempting to hamstring the writing of group insurance for the benefit of agents writing individuals was made by Edmund B. Whitaker, Prudential vice-president, in answering James E. Rutherford, executive vice-president of the National Association of Life Underwriters, who advocated limits to individual coverage under group policies and who strongly opposed covering mortgagors.

Mr. Rutherford's proposals to limit certain group writings also invoked comment from Deputy Commissioner Thompson of Michigan that employer-employee definitions should be broadened rather than being confused with copious amendments, and comment from several speakers that the model bill should be broad in scope with each state facing its own legislative problems.

The committee, which has recommended retention of the employer-employee relationship, declined further consideration of the definition previously agreed upon.

Governmental Agencies

Mr. Thompson said he would like to see governmental agencies able to contribute.

It was the unanimous opinion of those present that return premiums and dividends in excess of employer contributions should be used to enlarge benefits to employees or otherwise given to them.

It is not the intent of the committee to include trade associations in the proposed draft, Commissioner Allyn, Connecticut, presiding, declared.

Several objections were voiced to the use of the words "contract or otherwise" in the definition describing the status of employers. It was feared the language was too loose.

Leaves Minimum at 25

While some states set 50 as the minimum number of employees required under a group policy, the committee decided to leave its recommendation at 25 employees.

Wendell Milliman, actuary for Equitable Society, said that while individual policies have shown an increase in the last two years, group writings have shown a decline. In view of the unknown value of the dollar 20 years from now he objected to dollar limitations on any writings.

Intelligent selfishness was described by John A. Lloyd, vice-president of Union Central, as the attitude of those companies not writing group insurance in a discussion of trustees acting for groups of employees.

There was no general agreement over the question of trustees.

Mr. Rutherford said his organization would oppose the provision allowing trustees to act for employers.

Strong recommendations were made by Commissioner Parkinson of Illinois, Commissioner Luke Kavanaugh of Colorado, and others to provide for public employee coverage for all government employees.

The American Life Convention, through Actuary Alfred N. Guertin, submitted a brief on the proposed bill setting out the reactions of 78 companies which replied to questionnaires. The companies were in general agreement although many offered suggestions on minor points. The A.L.C. took no position but offered its services in the preparation of any material.

Mr. Parkinson felt pertinent provisions of a group contract should be required to be included in individual certificates.

Suggested changes in the standard provisions were for purposes of clarification and no major differences were encountered.

Members of the life committee attending were Commissioner Allyn, Connecticut, chairman; Martin, Louisiana, vice-chairman; Barrus, Wyoming, and Kavanaugh. Maine was represented by Deputy Guy Whitten and New York by Deputy Raymond Harris, Actuary Char-

Award in Loco Parentis Payment Over Family in N.S.L.I. Case

In a suit to recover on two N.S.L.I. policies totaling \$10,000, the court ruled that plaintiff, grandmother of the insured, had stood in loco parentis for one year prior to his enlistment. The grandmother is not within the permitted class of beneficiaries under the act and the insured's mother, father, brother and wife were interpleaded.

The case, Allen vs. United States of America, U. S. district court, western district of South Carolina, was decided on the basis of whether the grandmother stood in loco parentis for one year before the insured entered service.

The jury awarded the grandmother \$90.60 in monthly installments on the \$10,000 policy.

A. B. Matthews Named V.-P. and Treasurer of Excelsior

Maj. Gen. A. Bruce Matthews has been elected as a director of Excelsior Life and has been appointed vice-president and treasurer.

He is a son of Albert Matthews, lieutenant-governor of Ontario and president of Excelsior Life.

General Matthews held the rank of major in the Canadian artillery at the outbreak of war and immediately went on active service. When the 1st Canadian Division went to Sicily in 1943 he was brigadier in charge of the division's artillery.

In November, 1944, he was promoted to major-general and given command of the 2nd Canadian infantry division during the campaign in Belgium and Holland.

N. E. Mutual Is Holding Weekly Staff Assemblies

New England Mutual, prompted by the outstanding success of the eight training and veterans' refresher courses which it has conducted for its field force during the past year, is engaged in a similar type of program for its home office organization.

Five weekly assemblies, called "Our Company Hour," are being held in the home office hall, with attendance by the entire staff of employees and executives.

The objective of the course is to give every member of the staff a picture of how each individual job fits into the coordinated pattern of company operations as a whole, thus making their work more effective and personally satisfying.

Nearly 100 employees are taking an active part in the dramatized presentations, which are designed to be entertaining as well as instructive.

Brothers Join Travelers

Both sons of Vice-president R. D. Safford of Travelers Fire have entered the service of Travelers. The older son becomes a field assistant, having taken the Travelers' training course which has fitted him for supervisory work. The younger son has joined the group life department and is preparing to do service work.

Hold Ark. Annual Meeting May 3

LITTLE ROCK—Paul Speicher, R. & R. Service, will speak at the sales congress and annual meeting of the Arkansas Association of Life Underwriters here May 3.

A luncheon will be held jointly with the Greater Little Rock Chamber of Commerce.

Les C. Dubuar and Chief Life Examiner Julius Sackman, Commissioner Parkinson and Commissioner Charles R. Fischer, Iowa, represented the sub-committee.

Adoption of a model group bill for submission to the several states will constitute the first general recommendation since 1917.

H. & A. Conference Program Announced

Timely Topics to Be Featured at Annual Meeting in Cincinnati

The completed program for the annual meeting of the Health & Accident Underwriters Conference May 21-23 at the Netherland Plaza Hotel, Cincinnati, has been announced by Harold R. Gordon, managing director. Based on advance registrations, an attendance of 400 is expected.

Mayor Stewart of Cincinnati will give the address of welcome. The president's address, delivered by R. J. Wetterlund, vice-president and general counsel of Washington National, followed by the annual reports of C. C. Fraizer, general counsel, and Mr. Gordon will conclude the first morning session.

Holgar J. Johnson, president of the Institute of Life Insurance, will lead off the afternoon session with an address on "Public Relations." Other features at that session are:

"Home Office Management," Miss G. P. Edwards, secretary Illinois Mutual Casualty.

Round Table Discussion, "Modern Group Insurance Trends," led by C. R. Cleaver, United Pacific chairman group committee.

"California Cash Sickness Act," George W. Kemper, manager accident and health department Fireman's Fund Indemnity.

"Group Rates," George Hipp, manager group department Employers Mutual Liability.

Medical Insurance Session

Wednesday morning, May 22, will be given over to a medical insurance session:

"Program of A.M.A. for Voluntary Prepayment Medical Care Plans," Thos. A. Hendricks, secretary Council on Medical Service and Public Relations, American Medical Association, Chicago.

"Socialized Medicine," Dr. Roscoe I. Sensenich, South Bend.

Report of medical insurance committee, H. E. Curry, actuary State Farm Mutual Automobile.

The agency management session, the program for which was announced last week, will be held Wednesday afternoon, with G. A. L'Estrange, Wisconsin National Life, chairman agency management committee, presiding.

The conference banquet will be held Wednesday evening.

Thursday morning, May 23, there will be an executive session for consideration of committee reports, special topics and transaction of deferred and new business, followed by an open session for adoption of resolutions and memorials and election of officers.

Premium Tax Issue Over Union Group Cover in Minn.

ST. PAUL—After settling one action for \$8,500, the American National is facing another suit by the state of Minnesota to force payment of \$2,063 in premium tax on a group policy of a union with headquarters in Kansas but with a number of members in Minnesota.

The company contends that it was re-insurance and not subject to the Minnesota tax.

Darling Now District Agent

John G. Darling has been appointed district agent at San Diego for the Murphy & Mage general agency of Northwestern Mutual Life. He formerly was supervisor in the home office general agency.

Sell disability with "Seven Good Reasons Why" folder. Get samples from The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.



SINCERELY I WISH WE COULD REPRINT IN FULL A LETTER FROM C. L. FORMAN, GA., LONG BEACH, LINCOLN NATIONAL, FOR IT IS SO SIGNIFICANT. HERE ARE PARTS—

"ON WEDNESDAY NIGHT, I teach the regular R and R Course at my home and on Saturday morning, the Business Course to a group at the office. We have been at it now for eight weeks, and so far four business cases for a total of \$110,000 have been written. Of the seven men, only two have been in the business over a year.

"I BUILD MY entire recruiting and training program around these two classes. I sell the career idea and back it with a full story of the classes. In two years, I have recruited 15 men, have 12 now under contract, and will place one more contract within the week. My men who have completed the first course are averaging better than \$200,000."

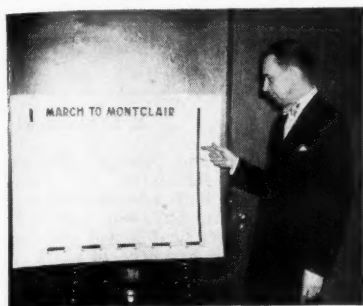
NO WONDER MR. FORMAN CONCLUDES: "I AM DEFINITELY SOLD ON A SYSTEMATIC COMBINATION OF STUDY AND FIELD DEMONSTRATION."

PAUL SPEICHER
Managing Editor
**THE INSURANCE
RESEARCH & REVIEW SERVICE**
INDIANAPOLIS

Unusual Contest Is Successful

Bankers National Life field representatives chalked up an all-time company high in new business during President's Month, held in honor of President Ralph R. Lounsbery.

Paid-for business totaling more than \$3 million was put on the books between



Feb. 8 and March 8. Each man's quota was double his average monthly volume for last year.

Featured in the contest was the "March to Montclair," Montclair, N. J., being the home office city. A large wall map of the United States was hung in the president's office on which each agent's name was listed on a starting line on the West Coast.

As his business came in, his progress across the continent was recorded by a line drawn proportionately from the starting line in the direction of Montclair.

Few failed to reach the home office; most of them continued right on to land theoretically in the middle of the Atlantic Ocean. One man's volume put him in Tibet, while several are still working their way back from the Balkans.

At the mid-point of the contest, and again at its conclusion, miniature maps showing each man's progress to date were mailed to all contestants.

Indianapolis General Agents Set Up Butler Scholarships

Five service scholarships for Butler University junior and senior insurance majors have been established by the General Agents & Managers Association of Indianapolis.

The scholarships, established to encourage outstanding insurance students, will furnish agencies with young men to be developed into professional career men. Participating agencies have agreed to allow the student receiving the award to follow a program of work which will rotate assignments so that a broad background of training and experience may be acquired before graduation. All work will be done under the supervision of Butler officials.

The scholarships carry \$15 a week during the junior year and \$20 for the senior year. Selection of men will be made by the dean and assistant dean of the Butler college of business administration; Dr. Robert I. Mehr, head of Butler's insurance division; Wendell Barrett, Provident Mutual, chairman of the education committee of the association, and Paul Speicher, R. & R. Service. Agencies participating include: J. R. Townsend, Equitable Life of Iowa; H. E. Storer, Bankers Life of Iowa; E. A. Crane, Northwestern Mutual; Paul M. Williams, Aetna Life, and W. H. Atterberry, Sun Life of Canada.

The first scholarship will be awarded next September.

Demands Full Rate of Blue Cross

General Hospital at Alpena, Mich., has voted to discontinue as of June 30, the present method of settlement with the Michigan Hospital Service. After July 1, the M.H.S. certificate holders will be received as patients on the basis of the regular authorized rates of the hospital.

Sumners L.I.A.A. Mid-Year Speaker

Setting what may be a pattern for its future mid-year gatherings, the Life Insurance Association of America will hold its first semi-annual meeting at the Waldorf-Astoria, New York City, May 7. Decision to hold a full mid-year meeting came with the lifting of travel restrictions. The constitution provides for two meetings a year, but because of war conditions it has in recent years held only an annual meeting in December.

Attendance at the morning session will be restricted to representatives of member companies. The agenda includes:

Panel on housing—its opportunities as an investment—responsibilities—construction costs—administration: Paul Bestor, Prudential; Van Ness Bates, John Hancock Mutual Life, and George Gove, Metropolitan Life.

Report on interest rates and fiscal policy.

Status of standard valuation and non-forfeiture legislation—1947 legislative programs—company plans.

This will be followed by luncheon, and the afternoon session will be open to the public. A highlight of the afternoon program will be an address by Hutton W. Sumners, veteran Congressman from Texas. Considerable interest will be attached to the message of Congressman Sumners, who has announced his intention not to seek reelection because of his views on federal policies and states rights. His subject has not been announced but it is understood that at the conclusion of his address he will welcome and participate in discussion from the floor.

Other features of the afternoon program will include a report on the social security hearings at Washington by M. Albert Linton, Provident Mutual, chairman of the joint social security committee of the association and the American Life Convention, and a summary of developments in the work of the all industry committee by Dave E. Satterfield, Jr., executive director of the association.

The association's directors will meet May 6.

Michigan Agents Hold Joint Meeting at Grand Rapids

Joint programs for the annual meetings of the sales congress of the Michigan Association of Life Underwriters and the Life Leaders of Michigan were held at Grand Rapids May 2-3.

Seven speakers lead discussions of the life leaders and Paul Millett, tax consultant of Chicago, spoke at the annual dinner on "Taxation as It Affects Life Insurance."

Three addresses were given at the sales congress. David Warshawsky spoke on "An Agent's Obligation." "All Goes When Courage Goes" was the subject of an address by E. H. Hanley. Thomas H. Hawkins spoke on "Programming Through Social Security from Approach to Close." Ben H. Williams discussed "Mentalnastics."

Those presiding at the sales congress meeting were George J. Dobbin, state president; J. Leslie Livingston, Robert C. Reed and Frank J. Lightner. Leading the discussions for life leaders were George Lackey, Detroit, general agent of Massachusetts Mutual; George Parker, Jr., vice-president of the National Bank of Detroit; J. Arthur Pino, Lansing, Mutual Benefit; Roy Kenyon, Grand Rapids, Home Life; Carl Riddering, Grand Rapids attorney; Newton Johnson, Toledo, Aetna; Floyd Holland, Allegan, Mich., Mutual Life of New York. George Hopkins, Kalamazoo, general chairman, presided.

Agency Heads '47 Fla. Meeting

General agents of Connecticut Mutual Life will meet next Jan. 13-16 at the Hollywood Beach Hotel in Florida. This will be the 14th time the group has met there.

Arrangements Perfected for Commissioners Special

Final arrangements have been made for running a special train out of Chicago the evening of June 6 on the Burlington-Northern Pacific for the insurance commissioners convention at Portland. It will be an all-room train. Arthur Smith, Illinois insurance department, Board of Trade building, Chicago 4, Ill., will take care of reservations. Room reservations at Portland should be made through Ferry Smith, 614 Board of Trade building, Portland 4, Ore.

Trips are planned by the Portland

committee to Bonneville Dam, Columbia River Gorge Hotel at Hood River and other opportunities for seeing Oregon country. The Portland roses should be at their peak during the Convention.

A trip to Timberline Lodge is being planned for the ladies as well as various trips to other points of interest.

McClure Harrisburg Manager

Baltimore Life has appointed B. F. McClure as manager at Harrisburg, Pa. He joined the company in 1941, at Chester, Pa., in March, 1942, he was made a staff superintendent and July 6, 1942, was promoted to home office supervisor.

**The
COMMONWEALTH
Commentary**

ONE WORLD—YOURS

Nearly a century ago, Abraham Lincoln stated that labor is the great source from which nearly all, if not all, human comforts and necessities are drawn. Like all great truths this is just as genuine today as it was when he said it.

Life insurance is an immediate source of many human comforts and necessities. Yet a more penetrating view shows that even here the ultimate source is labor. Obviously, life insurance is put into force and kept in force by the labor of an underwriter who persuades the prospect to make a decision, and by means of the premiums which result from the labor of the prospect. Then as company reserves are invested, they go largely into government bonds and mortgage loans, and the real security behind these is the labor of the tax payer and the home owner.

Therefore, in effect, the family which is supported and maintained by insurance benefits has its integrity guaranteed by the honest, earnest labor of the mass of citizens whose efforts produce the goods and services by which we all exist, and who thereby work for the security of their own individual homes and contribute to the support of their government.

Insurance In Force, March 31, 1946—\$275,154,076

COMMONWEALTH

LIFE INSURANCE COMPANY

LOUISVILLE • MORTON BOYD, President

**The COLUMBIAN NATIONAL
LIFE INSURANCE Company**

BOSTON, MASSACHUSETTS

**COMPLETE, PERSONAL PROPOSAL SERVICE
to fit every individual requirement**

~ A NEW ENGLAND INSTITUTION ~

Life Advertisers Spent \$1,738,382 in Newspapers

Life insurance companies in 1945 spent \$1,738,382 for advertising in the leading newspapers of the country, according to figures compiled by Media Records, Inc., for three advertising and newspaper trade journals. Fire and casualty companies spent \$352,325 for similar advertising during the last year.

The report covers 333 daily and Sunday newspapers, published in 107 cities, representing 73% of the total circulation of all newspapers in the U. S. Not covered by the survey are a number of the daily and weekly publications in the smaller towns. For this reason the survey fails to include a number of mail order companies who advertise principally in the smaller publications. There is no breakdown of the expenditures of multiple line companies which keep the figures from being too useful as far as insurance is concerned.

Biggest advertiser was Life Insurance Companies of America which spent \$715,126. Largest individual advertiser was New York Life which spent \$225,060. The other outstanding account was John Hancock with \$115,742.

Complete Card for Industrial Insurers Gathering

The program has been completed for the annual meeting of the Industrial Insurers Conference at the Hotel Buena Vista, Biloxi, Miss., May 8-10.

The meeting will get under way the morning of May 8 with Edwin W. Craig, president of National Life & Accident and president of the conference, presiding. Arthur F. Langley of Carolina Life and secretary of the conference will report on the last meeting. Peyton W. Jones, Bankers Health & Life, will report as chairman of the credentials committee. President Craig will give a report of the administration and E. H. Speckman, Kentucky Central Life & Accident, will report as chairman of the executive committee.

Hamrick and Emmons to Speak

W. J. Hamrick, agency vice-president of Gulf Life, will give an address "Production of Ordinary Business by Industrial Agents," and Miss Era Emmons, editor of the "Mirror" of Life & Casualty will speak on "Problems Pertaining to Home Office Personnel."

The next morning Mr. Langley will

report as chairman of the auditing committee and then there will be a session of the legal section with Harry N. Lukins, Washington National, presiding as chairman.

Ashley C. Tobias, Jr., president Palmetto State Life, will speak on "Punitive Damages," and Francis Dwyer, vice-president of Progressive Life, will give an address, "Lender's Responsibility Under GI Loan Bill"; W. C. Turpin, general counsel Bankers Health & Life, "The Sermon on the Mount" and K. F. Keeble, general counsel Life & Casualty, "Legal Knots."

Program For Final Session

At the final session the morning of May 9, Frank J. Travers, Lincoln National, will give an address, "The Investment Outlook" and J. R. Leal, vice-president and secretary Interstate Life & Accident, will speak on "History, Principles and Traditions of the Conference."

The final feature will be an executive session at which there will be a round table discussion and election of officers.

Mutual Benefit Modernization Program Under Way

Mutual Benefit Life general agents are much gratified over the progressive steps that have been taken and those that are in progress following the election of J. S. Thompson as president, W. P. Stillman as chairman and H. Bruce Palmer, who has been general agent at Flint, Mich., as executive assistant.

The death of President Hardin left the way open for a reorganization of the executive staff. Mutual Benefit has been built on solid foundations. It is one of the leading companies of the country, has always been conscientiously and ably managed. Now a program of modernization is under way.

Retirement of Vice-president E. E. Rhodes further paved the way for new blood. Mr. Thompson has been all along in favor of more up-to-date methods and extending the wings of the company. He holds a high reputation as an actuary and all around insurance man. The election of Mr. Stillman as chairman brought in a very successful banker and man versed in general business but who had little knowledge of life insurance. He was a director of Mutual Benefit. However, Mr. Stillman has already shown his mettle and is largely responsible for the invigorating and refreshing policy that Mutual Benefit is adopting. He got in touch with the leading general agents and sounded them out as to what they thought should be done. He conferred with men in the business who are authorities and secured their suggestions. He believed in adopting a thoroughgoing business policy that would give agents and policyholders the largest amount of service.

Changes Attitude to Term Plan

Mutual benefit does not need any radical treatment but the general agents have felt that some refining process could be used that would be of great benefit to the field men and policyholders. For instance the old management was much opposed to term insurance. Theoretically its reasoning was solid but there is a place in the moon for term insurance and this was not recognized. Mutual Benefit it is now understood will issue term policies and will not be prejudiced against that form of protection. Then it is anticipated by the general agents that there will be a modified sub-standard program adopted. While this will not go the whole way there will be opportunity for acceptance of risks that would now be rejected. This will be a great aid to the field men. Altogether the outlook for Mutual Benefit Life with its new management looks promising.

Frank W. Russell, retired Louisville superintendent of Commonwealth Life, and Mrs. Russell celebrated their golden wedding anniversary April 6.

New Appointees



C. A. Leaf



J. A. Sheehan

Carl A. Leaf and John E. Sheehan, new assistant secretaries of United States Life, are both comparative newcomers to the company, who have made their marks. Mr. Leaf joined the company in 1943 and has been in charge of foreign underwriting. Mr. Sheehan went with U. S. Life a year ago and has been in charge of domestic underwriting.

Opposes Extending NSLI to Peace Time Trainees

GARY, IND.—"Uncle Sam did a tremendous and necessary job in the life insurance business during the war, but now it's time for the government to step out," Clancy D. Connell, president of the National Association of Life Underwriters, said in speaking at the second "insurance day" in Gary. "Private companies are able to insure members of the services, now that unusual wartime risks no longer exist, and the companies would oppose insurance by the government as part of a peace time military training plan."

"The N.A.L.U. cooperated with the government in the National Service Life Insurance plan during the war and is urging veterans to continue their national service policies after they are discharged."

He reported that he had been assured by Gen. Omar Bradley that there would be "some liberalization" in the national service insurance setup. One of these might make it possible to convert wartime \$10,000 life insurance policies into ones for smaller amounts.

Seven Area Meetings for Managers Are Scheduled

Several area conferences have been scheduled for general agents and managers to carry out the program decided upon by the N.A.L.U. general agents and managers section at Omaha.

May 6 at Minneapolis for Minnesota and Wisconsin with Ray E. Habermann, Northwestern National, Minneapolis, as area chairman, there is to be a meeting.

Others are: May 17, Longview, Wash., for Washington, Oregon, Wyoming, Montana and Utah with Paul R. Green, Aetna Life, Seattle, chairman.

May 11, Kansas City for Missouri, Kansas, Oklahoma, Colorado, Bert A. Hedges, B.M.A., Wichita, chairman.

May 20-21, Bedford, Pa., for Pennsylvania, Delaware, southern New Jersey, Steacy E. Webster, Provident Mutual, Pittsburgh, chairman.

May 31-June 1, French Lick, Ind., for Indiana and Kentucky, Oren D. Pritchard, Union Central, Indianapolis, chairman.

June 4, Los Angeles for Southern California, Arizona, Nevada, New Mexico, Hawaii, Walter J. Stoessel, National Life, Los Angeles, chairman.

June 6-7, Corpus Christi for Texas, James D. Edgecomb, John Hancock Mutual, Fort Worth, chairman.

Pass Juvenile Extension Bill

BOSTON—The house of the legislature has passed a bill providing that life companies may include in juvenile policies provision for waiver of premium if the parent who owns the policy becomes totally and permanently disabled.



CREDITORS GROUP LIFE INSURANCE

MILLIONS of it will be written this year as consumer goods start flowing.

Lending institutions want it.

Borrowers are beginning to expect it.

And Occidental writes it!

Available on the "Outstanding Balance" plan for all or special classes of loans and accounts of the lending company. Low cost, broad coverage, minimized administrative detail.

Full facts in our new book: "The Modern Story of Creditors Group Life Insurance." Copies on request from your local Occidental office or the Home Office.

Occidental Life Insurance Company
of California

V. H. JENKINS - VICE PRESIDENT

"We pay lifetime renewals - they last as long as you do"



Ill. Round Table Membership Rises

In opening the meeting of the Illinois Round Table which ran concurrently with the state association managers conference at Chicago last week, K. L. Keil, Penn Mutual, Springfield, reported as president that membership in the neophyte organization was on the rise with 39 life members and 56 qualifying members, 95 members in all. About half that number were in attendance at the session.

First speaker was Harry R. Sharlach, assistant Prudential manager at Peoria, who said that because the farm income in 1945 is more than twice as great as in 1940 and prospects for farmers in 1946 are even better, the farmer is a prospect who cannot be ignored.

Mr. Sharlach pointed out that farmers are buying and can afford to buy more life insurance than ever before. He charged that too many agents are inclined to feel that selling farmers is a specialized field, even though opportunities in this market lie close at hand to many towns. This is a foolish attitude, because the essential need for money which can be provided the farmer through life insurance is no different from that of a sole proprietor operating his own business in the city.

R. O. Bickel, who is with National Life of Vermont at Cedar Rapids, Ia., and a member of the Million Dollar Round Table, outlined the unusual sales aids which he holds responsible for a substantial portion of his business. He told how he keeps a steel file, containing all of his estate analysis forms, and tells insured that in the case of his death, the contents of this file will be burned and the confidential data will not be seen by anyone else.

He maintained that the possibilities of key men insurance are largely untouched. To illustrate this point he asked how many men present had key men insurance on their general agents or how many present are insured as key men by their general agents. One or two hands were raised.

Mr. Bickel outlined how he has turned his hobby photography into a sales aid, making personal photographs for clients, sending out personalized birthday cards with photographs of pets, residences, etc.

"Find people that somebody lives off of and you will find the insurable interest that will give you the clue to selling key men insurance," Mr. Bickel said. He listed new firms as being particularly important sources of key man business. At this time there are many older men bringing in young veterans as replacement who are vitally important to their employers.

He advised the agents to cultivate attorneys, trust officers, bankers and accountants as invaluable aids to business in their communities.

Following announcement that Ralph H. Kastner, associate general counsel of the American Life Convention, Chicago, would be unable to make his scheduled address at the meeting, President Keil opened the meeting to questions which drew Mr. Bickel again to the podium to enlarge upon his methods.

Members present were asked to join in a drive to boost membership. Certificates were presented to qualifying members, who wrote \$250,000 last year, and life members, who have written \$250,000 for three consecutive years.

Pacific National Gathering

Pacific National Life has scheduled an annual agency meeting Aug. 4-7 at Jackson Lake, Jackson Hole, Wyo. Those attending will be members of the Premier Million Dollar Club and their wives.

Side Agreement on NSLI Proceeds Held Valid

A side agreement between the assured and the named beneficiary under an NSLI contract that the beneficiary would split the proceeds with another was held to be a valid agreement by the Kansas supreme court in French etc. vs. French et al.

The assured named his parents as beneficiaries. He was married but concealed the fact because he wanted to become a naval flight cadet. He told his parents that if he died he wanted them to give his wife and his then unborn child the NSLI proceeds in equal shares.

Prior to the assured's death he was divorced in Florida and the court directed him to make payable to his son \$5,000 of his government insurance. The assured's parents were not made parties to that action and the insured was killed in an automobile accident before complying with the requirements of the judgment.

The only question involved, according to the court, is whether there existed between the parents and their deceased son a valid contract which required them to pay their grandson \$5,000 out of the NSLI proceeds.

Contract Held Enforceable

The agreement, the court said, possesses all the necessary attributes of a valid contract for the benefit of another and was enforceable as such.

Another NSLI case has been decided by the federal court at Chicago in Lindholm vs. U. S. et al. Here it was decided that the assured's aunt who had been named as principal beneficiary as his foster mother in loco parentis was entitled to the proceeds as against the claim of the assured's father.

Theodore R. Lindholm, Jr., was placed in the custody of his aunt, Eleanor Matilda Olsen, at the age of about three months and remained in her home until he entered the army. He was treated as one of her children. He was never taken into the home of his father and in the community he was generally known as the son of Eleanor Olsen and her husband.

The father made occasional and sporadic contributions of money and articles of clothing to the son.

Syphus Elected Head of L.I.A.M.A. Coast School

Members of the Life Insurance Agency Management Association's coast school in agency management, in their election of class officers chose as president H. J. Syphus, Beneficial Life, Salt Lake City; vice-president, Earl W. Smith, New York Life, Fresno; secretary, Clair O. DuBois, Equitable of Iowa, San Francisco; treasurer and sergeant-at-arms, A. M. Stanley, State Farm, Berkeley.

The school is under direction of James R. Adams, assistant director in charge of schools in agency management. Faculty members include L. S. Chapman, director of service and company consultations; James E. Scholefield, assistant director in charge of company consultations, and H. Fred Monley, consultant of L.I.A.M.A.

Ron Stever, general agent Equitable Society, Los Angeles, a graduate of the association's school in 1945, is scheduled to give the baccalaureate address.

Has Section on Life Insurance

A section on life insurance is being added to the third edition of the Michigan Reference Manual, now being prepared for publication about May 15 by the Michigan Association of Insurance Agents. The manual contains the new qualifying examination questions prepared by the insurance department and questions and answers on all lines of insurance are provided, including specialty coverages and aviation.

A COMPLIMENT

*... that is
a challenge*

The unprecedented acceptance of Life Insurance by American men and women in their planning and building toward economic security is a fine compliment.

It is also a firm challenge to the motives and methods that guide us. We cannot lightly accept the responsibility of stewardship simply because "business is good".

Great Southern Life is training its representatives to be sincere life underwriters in today's open market so that they will be successful life underwriters in tomorrow's more competitive market.

Great Southerners are building careers.

GREAT SOUTHERN

Life

INSURANCE COMPANY

HOME OFFICE HOUSTON 1, TEXAS

A Look at the Record

For forty-four years, through wars, epidemics and depressions, the Home Life has continued its successful operations;

Every liberal practice consistent with safety of policyholders' funds has been adopted;

Insurance protection at guaranteed low cost has been provided to its policyholders;

Every eligible member of the family can secure a policy for every purse and purpose with premiums payable weekly, monthly, quarterly, semi-annually or annually to suit the policyholders' convenience.

THE HOME LIFE
INSURANCE COMPANY OF AMERICA

Executive Offices
PHILADELPHIA, PA.

President: Daniel J. Walsh Secretary: Bernard L. Connor
Treasurer: Charles T. Chase
SECURITY AND SERVICE SINCE 1899

Sees Public Infatuation with Low Interest Rate

NEW YORK—The present easy money situation precludes any likelihood that interest rates will rise substantially above existing low levels, Donald B. Woodward, research assistant to the president of Mutual Life, told members of the Mortgage Bankers Association, meeting here.

Disagreeing with the theory that "the United States is economically approaching senility and tending to suffocate itself in a too great volume of savings for the available investment demand," Mr. Woodward contended public authority can with present mechanisms and resources bring about any interest rate which it desires. "The means and the mechanics exist in this country," he said, "for interest rate control in the most literal and complete sense."

While these forces of public control are operating, he added, the natural forces for the present are such that we would have rates low in historical terms even without the exercise of much public power. "Granted that some of these natural forces were artificial in origin,"

he pointed out, "the supply of money and savings at present is enormous in relation to the demand for loans from the mortgage market, corporations, consumer credit and all other sources."

With the public's infatuation with easy money and the natural forces operating for the moment in the same direction, Mr. Woodward outlined several possibilities for the future.

If the theory is correct that this country is economically senile, gravely deficient in investment possibilities, and therefore chronically tending to suffocate itself in savings, we shall for a long time in the future have low interest rates and possibly even lower than those we see at present. This would be coupled in time with a diminishing standard of living, heavy deficit financing and increasing restrictions on freedom. In that event the natural forces and those of public control will be collaborating to the same end of low rates.

If the country is economically vigorous and if that vigor is not impaired by misconceived public action, we may for some time have artificially low interest rates, and they could be even lower than at present. This could occur as the result of public action which forced the market rate below the natural rate by the use of banking mechanism. The result of low interest rates thus obtained would be monetary expansion and steady

force toward inflation, which at some time in the future might produce rising rates.

We may have low interest rates from natural forces themselves in a vigorous, healthful and progressive economy as a result of a high and rapidly rising productivity of capital and labor. Our scientific genius, coupled with wise public policy and propitious wealth conditions, could bring about such productivity that, while the use of capital would be large and growing and the standard of living very high and rising, the loan value of capital would be low.

Or we may have rising interest rates as a result of the same virile economy with a demand for capital steadily tending to outrun supply. Then borrowers would be bidding against the pleasures of consumption to try to induce the saving of a higher proportion of consumer income. Borrowers under that condition might have to bid ultimately rates substantially higher than the present.

Or, finally, the spread between the riskless rate of interest, as measured by long-term government securities, and the mortgage rate, might change. This spread is, of course, accounted for by risk and the lenders' costs of operation. In this event the mortgage rate might move closer to or farther from the rate on long term governments—which rate would, of course, be determined by some one of the sets of conditions mentioned in the preceding four points.

Poinier Agency Assistant of Mutual Benefit Life

John Poinier has joined the agency department of Mutual Benefit Life as an agency assistant in the field service division. He was formerly supervisor for John Hancock in New York City. Mr. Poinier will be temporarily assigned to the Arthur V. Youngman agency in New York, where he will be indoctrinated in Mutual Benefit procedure and in Analograph training before going into the home office.

Was \$300,000 Producer

He started with John Hancock as an agent in 1941, and was producing in the \$300,000 bracket when he was appointed supervisor in charge of full-time operation of the agency last May.

Mr. Poinier attended Carteret Academy and Yale University and entered life insurance on leaving college. Then he was in other fields for several years and was credit analyst for the Bank of Manhattan when he decided to reenter life insurance in 1941.

He is associate editor of the "Bulletin" of the New York City Life Underwriters Association.

May Provide for A. & H. Reporting in Life Blank

NEW YORK—The N.A.I.C. blanks committee at its meeting here was mainly occupied with matters pertaining to fire and casualty statements.

The opinion was expressed that the proposed tentative life blank be revised to include the reporting of accident and health business. Thus one company would have all its business presented in one blank.

It was voted to add schedules J and K to the fraternal blanks.

Life Men's Aid Praised

NASHVILLE—Fred M. Rogers, recently appointed Tennessee regional insurance director for the Veterans Administration, stated after a swing around the state that "local life underwriters and their organization certainly are rendering effective aid in getting war veterans to retain their service insurance." He himself is advising former service men to retain their present contract "until fully adjusted to civilian life" and fairly certain of a permanent job and a steady income" before deciding what type and how much insurance they will be able to carry. He plans active cooperation with life agents and their organizations.

Williamson Heads Ill. Association; Many Activities

Kenney E. Williamson of the Reuling & Williamson general agency of Massachusetts Mutual in Peoria was elected president of the Illinois Association of Life Underwriters at the annual meeting held in Chicago in conjunction with a sales congress, meeting of the Illinois Round Table and general agents and managers conference. He succeeds T. A. Lauer of Northwestern Mutual at Joliet, who gave his annual report showing unusual activities during the year.

Other new officers include: First vice-president, Earl M. Schwemm, Great-West Life, Chicago; second vice-president, Ray M. Carlson, Prudential, Danville; secretary-treasurer, Arthur E. Priebe, Penn Mutual, Rockford. Mr. Schwemm according to precedent falls in line for election as president at the meeting next spring. B. J. Stumm of Northwestern Mutual, Aurora, was elected national committeeman last November for a three year term. New directors named include N. Eric Bell,



Earl M. Schwemm



K. E. Williamson

State Farm, Bloomington, and J. C. Balentine, Equitable Society, Waukegan. L. S. Broadbudd, Guardian Life, Chicago, was chairman of the nominating committee.

High Membership Mark

Margaret H. Becker of Peoria, executive secretary, reported 3,101 members. Mr. Lauer said in addition to the new Eastern Illinois association formed recently at Mattoon, others may be organized before long in Moline, Rock Island, Pontiac and Chicago Heights. The Purdue University life insurance marketing course directed by A. R. Jaqua has created great interest among Illinois life men and Mr. Lauer said at least two Illinois educational institutions have expressed interest in installing similar courses and it might be well for the association to sponsor one in the state. Eight students from Illinois are registered in the Purdue course. The difficulty is to find a competent director for such a course. Consensus was for sponsoring a course but no formal action was taken.

Illinois has well done its share in taking care of veterans' affairs, Mr. Lauer showed, as there have been a great many of the veterans seminars throughout the state. The Rockford association, he commented, sprung a new idea recently with the holding of an all industrial life men's sales congress. Heretofore sales congresses in Illinois have been open to both ordinary and industrial men but with major emphasis on ordinary.

Managers Project Working

Mr. Lauer said the project started a year ago to organize a statewide general agents and managers group still is "cooking." He believes it is a worthwhile idea. The Indiana association has such a section which will meet for several days in May at French Lick, Ind. Members of the Illinois association have been invited to attend.

C. F. Axelson, Northwestern Mutual, Chicago, one of the grand old men of the association and a past president, is to prepare a history of the association, Mr. Lauer announced. C. T. Wardwell,



When the Institute of Life Insurance recently published the results of a study of life insurance agents by Elmo Roper, many people were surprised at certain conclusions. The chief "eyebrow-raiser" was Mr. Ropers conclusion: "these life insurance salesmen are well above the average in intelligence when compared with the general run of corporation employees." That simply states what we at Central Life have long felt. As a business man who finds his markets and serves in a professional manner, the agent's role requires initiative, ambition, and intelligence. The part he plays is vital to both the client and the company. That's why cooperation with the field force is one of the primary concerns of this organization.

LIFE INSURANCE BEGINS WITH THE AGENT!



Central Life ASSURANCE SOCIETY
(MUTUAL) of Iowa

Connecticut Mutual, Peoria, membership chairman, presented plaques to the Springfield association, which had the greatest numerical increase in new members since Dec. 31, and the Aurora association for the greatest percentage increase in new members up to April 15.

F. P. Beiriger, Rockford, past president, urged holding a meeting soon on the question of agency practices and also that there be an agent on the committee as well as general agents and managers. Mr. Broadbuss suggested all associations in the states consider at once the matter of incorporating not for profit in order that officers should not be exposed to personal liability for their official acts.

The Illinois association has just recently been incorporated, Chicago has been for some time and Rockford, Springfield, Peoria and Decatur also are incorporated. The final item of business was a further discussion of the educational situation. Mr. Williamson, who for many years has been a trustee of the University of Illinois, said there should be such a course at that institution. It was pointed out there should be caution as there might be a tendency for educational institutions to become interested in opening such courses primarily to increase their enrollment and income, and that the regular faculty members do not have the background necessary to conduct such a practical selling course but might have a tendency to make it too didactic and impractical.

Mr. Lauer said he was anxious to have more local associations in Illinois take advantage of the educational facilities offered by the state board of vocational education through John O. Burch, assistant supervisor of distributive education, under a plan which has been tried successfully in Peoria for the last year. The state agrees to pay two-thirds of the cost for life insurance training courses. Mr. Lauer also noted that the state board has much to do with the G.I. on-the-job training and urged Illinois life men to take advantage of this state assistance in order to train life agents.

Conn. Mutual's 100 Years Are Put into Story

The story of Connecticut Mutual Life from its founding 100 years ago is presented with illustrations in a booklet of 100 pages as a tribute to the men who built the company and who, at the same time, have made life insurance history.

The booklet is available without charge to company members requesting it. It is presented as an historical narrative with a human interest background.

In the happenings of the company's past 100 years, there was an interesting and colorful story to be told, and the story has the effect of creating confidence in the institution of life insurance and Connecticut Mutual. The booklet meets the test of readability from beginning to end.

The reader is given some insight into the character of such outstanding company personalities as Dr. Phelps, James Goodwin, Col. Greene, and the more recent heads of Connecticut Mutual so well remembered by the living generation. The booklet brings out forcibly the company's remarkable growth and its present promise for the future, its adherence from the start to the mutual principle, its practice of the art of corporate trusteeship.

The author is John W. Colton a member of the editorial staff of the Hartford "Times." With no previous intimate knowledge of the company or its insurance operations, his layman's research into the background of the company and its many interesting files aroused in him an enthusiastic interest which his writing clearly reflects.

"The First Century of the Connecticut Mutual Life Insurance Company" sets the stage for observance during the months to come of a most significant anniversary.

425 Agents Attend Kentucky Joint Sales Congress

Four hundred and twenty-five agents attended the joint sales congress of the Kentucky State Association of Life Underwriters and the Louisville Association of Life Underwriters at Louisville last week.

During the morning session E. Tom Proctor, Northwestern Mutual general agent at Nashville, spoke on "Business Increase." "Sales Ideas for Today's Market" was the subject of a speech by Earl M. Schwenm, Chicago manager of Great West Life. The luncheon address "The Place of the Life Underwriter Today" was given by John Marshall Holcombe, Jr., general manager Life Insurance Management Association, Hartford, Conn.

Roger A. Palmer, John Hancock regional manager at St. Louis, spoke on "The Importance of the Industrial Man in the Business" at the opening of the afternoon session. "Today's New Market" was the subject of an address by Paul Speicher, managing editor Insurance Research & Review Service, Indianapolis.

Presiding at the morning session was Harry Lee Hamilton, president of the local association, and during the afternoon session Wilton R. Long, president of the state association, presided.

Mo. Slum Clearance Bill Signed

JEFFERSON CITY, MO.—The way has been cleared for insurance companies to finance slum clearance projects in Kansas City and St. Louis with the signing by Gov. Donnelly of the urban redevelopment corporation act passed recently by the legislature. It is effective immediately. It provides for organization of redevelopment corporations to take over and operate areas in Kansas or St. Louis. Life companies are authorized to function as redevelopment corporations for the purpose of constructing and opening multiple housing.

Zimmerman Officially Takes Over New L.I.A.M.A. Duties

C. J. Zimmerman, who recently separated from the navy after four years' service, with the rank of captain, has officially assumed his duties as director of institutional relations of the Life Insurance Agency Management Association. In his new post he will integrate the various functions of agency management in relation to the other phases of life insurance as an institution. In recent weeks he has performed important liaison work between the veterans administration and the life insurance business in connection with the G.I. bill of rights.

A Dartmouth graduate, Mr. Zimmerman has a long record of outstanding success in life insurance sales and has been active in affairs of the National Association of Life Underwriters, which he served as trustee, secretary, vice-president, and president in 1939. He has represented the business on numerous occasions in discussions with the government of matters of insurance taxation and social security.

His work in the personal finance program while in service brought him commendation from the army, navy and treasury, and just prior to his release a special commendation and ribbon from the Secretary of the Navy.

Dunton Seattle NSL Chief

Ford E. Dunton, who was general agent at Spokane for Pacific National

Life before the war, has been appointed manager of branch 11, National Service Life with headquarters at Seattle. He is a colonel in the army and will be discharged within the next few months. Eventually, Mr. Dunton intends to return to Pacific National.

Another general agent of Pacific National, Kenneth W. Cring of Ogden, Utah, is being separated from the service in May and will return to Pacific National in an important capacity. He has been a major, serving as provost marshal at Yokahama.

A.L.C. Regional at Greensboro

The regional meeting of the American Life Convention to be held at Greensboro, N. C., May 16-17 will have its headquarters at the King Cotton hotel. Claris Adams, president of Ohio State Life and president of the A.L.C., will preside. Attending from executive headquarters at Chicago will be General Manager R. L. Hogg, Associate Counsel R. H. Kastner and Actuary A. N. Guertin.

Huggins & Co. Is Organized

Huggins & Co., a firm of consulting actuaries and insurance accountants, has been organized in Philadelphia with office in the Architects building, 117 South 17th street. The telephone number is Rittenhouse 3634. The partners are George A. Huggins and William M. Huggins. Associates include Renner W. Leupold, Kenneth H. Ross, Charles L. Burrall, Jr., and M. Rossman Wert.

Opportunities of the Month

GENERAL AGENCIES

in Illinois

**PEORIA
ROCKFORD
BLOOMINGTON**

**LIBERAL OFFICE
COMMISSIONS ALLOWANCES**

**DEVELOPMENT PERSISTENCY
FUNDS BONUSES**

**ORGANIZATION
ALLOWANCES**

Write Harry S. McConachie Vice President

American Mutual Life Insurance Company

FOUNDED 1853 IN ILL.

Des Moines, Iowa

"The Company Back of the Contract"

FIDELITY MUTUAL LIFE

FOUNDED 1878

**Fidelity's Largest March,
Largest "First Quarter"
In Its 68 Years**

New Business paid for in the first Quarter of 1946 scored an increase of 68% over the first three months of last year.

March was up 74% over March, 1945.

We take pride in this record achieved by the Fidelity field.

**THE FIDELITY MUTUAL LIFE
INSURANCE COMPANY**

The Parkway at Fairmount Avenue
PHILADELPHIA
E. A. ROBERTS, President

Mo. State Assured Come Out Whole

(CONTINUED FROM PAGE 1)

disheartening developments that occurred with such discouraging regularity were all met and overcome, the speakers disclosed, principally because of the determination and courage of General American's president, who was so enthusiastically honored.

Head Central Figure

Sincere, quiet spoken and serious minded, Mr. Head has been the central figure in a difficult, complicated life insurance rehabilitation and conservation that has had very much more than a local significance. Mr. Head's successful management of Missouri State's business has enhanced and preserved the reputation of life insurance as a whole. It was because this is so widely recognized that life insurance executives came from every corner of the country to honor and felicitate Mr. Head here. It was a life insurance gathering unique in the history of the business.

The principal speaker was Holgar J. Johnson, president of Institute of Life Insurance. Powell B. McHaney, vice-president and general counsel, who presided, explained the significance of the lien elimination and introduced other prominent guests on the program who included Lloyd C. Stark, former governor of Missouri; Mayor Kaufmann of St. Louis; Superintendent Jackson of Missouri; A. J. McAndless, president of Lincoln National Life, representing American Life Convention; James E. Rutherford, executive vice-president National Association of Life Underwriters, and Alfred M. Best, insurance publisher.

The invocation was by Very Rev. Patrick J. Holoran, S. J., president St. Louis University. Following introductory remarks by Mr. McHaney and presentation by Mr. Head of a check to the oldest fully paid up policy of Missouri State, Frank E. Agnew, junior vice-president, presented those at head table other than the speakers.

Head Table Dignitaries

They included:

F. W. Hubbell president Equitable Life of Iowa, J. C. Higdon, president Business Men's Assurance; Allen May, president Mutual Savings Life; W. Ralph Jones, president National Fidelity Life; Edward Scheuffer, former superintendent of Missouri; Ray B. Lucas, general counsel of Kansas City Life; Albert A. Ridge, federal judge and formerly counsel for the Missouri department, Commissioner McKenzie of Arkansas, Carroll E. Nelson, consulting actuary, St. Louis, formerly actuary of the Missouri department; Chris J. Muckerman, president St. Louis Fire & Marine.

Also David M. Milton, president Equity Corporation, former chairman of General American; W. Dale Clark, president Omaha National Bank, and Arthur J. Morris, chairman of Morris Plan Corp. of America.

Also O. R. Jackson, president Postal Life & Casualty; Edwin C. Hargrove, president, and R. L. Douglas, chairman American Union Life; Cornelius J. Shea, president State National Life and J. S. Gould, president Reliable Life of St. Louis.

Mr. McHaney read congratulatory messages from Treasury Secretary Fred M. Vinson, George W. Smith, president New England Mutual Life as president of L.I.A.; Robert L. Hogg, manager American Life Convention and President Leroy A. Lincoln and Vice-President Gale F. Johnston of Metropolitan Life.

Rear Admiral Sidney Souers, former General American executive vice-president, brought personal greetings from President Truman.

Mayor Kaufmann extended congratulations both as chief executive of St. Louis and as a General American policyholder paying high tribute to President

Head's accomplishments as president of General American Life and also for his civic work.

He said it was Mr. Head's brave decision to mutualize the company which decided its fate—a decision made at heavy personal sacrifice to himself.

Superintendent Jackson recalled that the federal investigation of life insurance practices by the TNEC released for publication in February, 1941, was wrong in at least one instance; "Using as a horrible example the collapse of the Missouri State Life" the report estimated and predicted there would be a loss to its policy holders in the liquidation of its assets of \$51 million, while in truth and in fact there has been no loss of any consequence. This unfavorable publicity at the time did not help General American in gaining the confidence and holding the patronage of its policy holders.

Slandorous Statements

"Their job of liquidation under the exacting supervision of the state insurance department has not been an easy one. There have been many fault finders, some of whom carried slanderous tales of public officials."

Former Governor Lloyd C. Stark who back in 1936 caused two separate investigations to be made of General American's management of the Missouri State account because of slanderous tales, rumors, charges and gossip again publicly acknowledged to a large gathering that these were baseless and that both investigations showed conclusively that Mr. Head and his associates were doing an excellent job in the interest of the policyholder. He said that the failure of Missouri State was the most perplexing problem of his administration and that he was personally happy at the fine accomplishments of Mr. Head on behalf of that company.

Mr. McAndless stressed particularly Mr. Head's wonderful leadership in being able to hold under most adverse circumstances an effective organization together including the field forces. He said the event being celebrated demonstrated what honest, alert, efficient management can accomplish in the face of a most perplexing financial situation.

Advantage to Agents

Mr. Rutherford said that agents would benefit from the splendid job performed by General American and that its accomplishments had justified the agents in advising the policyholders of Missouri State to continue their policies in force.

President Head accepted the "gracious and generous reference to our activities which have been made here tonight" and added "it affords us an opportunity to publicly express the gratitude of our hearts for the invaluable aid and assistance which has been rendered to this company, and to me, personally, in so many quarters and by so many people."

He then expressed gratitude to Mr. Milton, Ellery C. Huntington, Arthur J. Morris, Arthur Coburn, William T. Nardin, Rear Admiral Souers, the directors, supervisory officials of Missouri and other states, detailing their assistance to the company since 1933.

He paid special tribute to Congressman Cochran of St. Louis "for the magnificent service which he rendered in our earlier years in presenting on the floor of the House the true facts relative to our company at a time when its very existence was imperiled."

Mr. McHaney said it was mandatory that the assets be improved and capably managed. These assets consisted of an accumulation of the years. Third or fourth rate movie houses, churches, educational institutions, run-down almond orchards, apartment buildings, hotels that were hotels in name only, farm lands, most of which were cut-over timber lands, and the largest asset was

the Syndicate Trust and Century Building in St. Louis. "We were in practically every type of business except that of pawn broker and we would have been in that if it had been among the assets purchased," he declared.

"The assets were taken over at a value fixed by the court on what might be termed a liberal basis under conditions as then prevailed in 1933. For example, the Syndicate Trust & Century Building that had been on the books of Missouri State for \$7,845,000 was taken over at \$5,400,000, an amount far exceeding its then actual value as evidenced by the fact that only this year the company was able to realize a comparable figure from its sale even though it is now practically 13 years since 1933 and our country is in the throes of an inflationary market.

"As an example of the type of rehabilitation and improvement that was effected: Among the assets were 80,000 acres of farm and cut-over timber lands in the delta regions of southeast Missouri. The land was carried on the books of Missouri State at approximately \$30 per acre. It was taken over at \$20 which was a high value at that time. A large part of this land was not properly drained and had not been cleared for cultivation. Tenants were imported. Drainage districts were reorganized. Taxes reduced. The land was gradually cleared and placed in profitable operation.

"An orderly program of liquidation was then instituted. In 1937, it became possible to sell small areas of this land at \$75. The last sale was for \$180. Only 6,000 acres remain."

Mr. McHaney, pointing out that \$1,438,000 is being paid or credited to policyholders as a partial payment on the extra premium that they have paid during the years, declared that barring unforeseen financial disaster, prior to Aug. 31, 1948, the whole of such extra premium will be returned and most, if not all, of the compound interest thereon will be paid.

CONVENTION DATES

May 5-11, Ins. Federation of Pennsylvania, Bellevue-Stratford, Philadelphia.

May 6-7, American Life Convention, regional meeting, Hotel Fontenelle, Omaha.

May 7-9, Pennsylvania Insurance Days, Bellevue-Stratford, Philadelphia.

May 8-11, Industrial Insurers, Buena Vista Hotel, Biloxi, Miss.

May 9-10, L.O.M.A. spring conference, Hotel Claridge, Atlantic City.

May 13-14, Life Advertisers Assn., Southern round table, Sedgefield Inn, Greensboro, N. C.

May 14-17, Insurance section U. S. Chamber of Commerce, hemisphere conference, New York.

May 15-17, Insurance Accounting & Statistical Assn., Baker Hotel, Dallas.

May 16-17, "Combination" Companies, L.I.A.M.A., Hotel Commodore, New York.

May 16-17, American Life Convention, regional meeting, Greensboro, N. C.

May 21-23, Health & Accident Underwriters, annual, Netherland Plaza, Cincinnati.

May 23, Ohio Assn. A. & H. Underwriters, Cincinnati.

May 20-21, Actuarial Society of America, annual, Hotel Pennsylvania, N. Y.

May 24-25, Iowa Assn. of Life Underwriters, Mason City.

May 24-25, Virginia Assn. of Life Underwriters, Cavalier Hotel, Virginia Beach.

May 27-28, Assn. of Life Insurance Counsel, spring meeting, Homestead, Hot Springs, Va.

May 23-24, Missouri Assn. of Life Underwriters, Statler Hotel, St. Louis.

May 27-29, Canadian Life Officers Association, Hotel London, London, Ont.

June 6-7, American Institute of Actuaries, Edgewater Beach Hotel, Chicago.

June 9-13, Insurance Commissioners, Portland, Ore.

June 17-19, Natl. Assn. A. & H. Underwriters, annual, Cosmopolitan Hotel, Denver.

June 20-22, Medical Section, A.L.C., Homestead, Hot Springs, Va.

Sept. 4-8, Million Dollar Round Table, French Lick, Ind.

Sept. 9-10, International Claim Assn., Chateau Frontenac, Quebec.

Sept. 9-13, N.A.L.U. annual convention, Cleveland.

Sept. 23-25, L.O.M.A. annual, Hotel Schroeder, Milwaukee.

Oct. 7-11, American Life Convention, annual, Edgewater Beach Hotel, Chicago.

Full-Scale Convention for Texans at Corpus Christi

After a restricted war-time schedule, a full-scale convention will be staged by the Texas Association of Life Underwriters at Corpus Christi June 6-8. Dale Shepherd of Houston is state president.

Representatives of 25 local organizations throughout Texas will attend the three-day roundup. The main address will be by Philip B. Hobbs, Equitable Society, Chicago, vice-president N.A.L.U.

Subsidiaries to Meet

There will be meetings of the Texas Leaders Round Table, the Texas Industrial Leaders Round Table and the General Agents and Managers Section. A day's session will be devoted to a course of instruction conducted by representatives of the National association for incoming officers of local associations.

The Corpus Christi association will be host, with Harold Rossman as chairman of the program committee.

Union Mutual Treasure Hunt

Union Mutual Life of Maine held a sales contest in April, with qualifiers to participate in the four-day annual convention at Lake Kezar.

Developed as a treasure hunt, agents and wives were furnished considerable campaign literature, consisting of maps, letters, pictures, etc. Based on business produced, agents received clews for amounts of \$10,000 and there are special awards for those not participating in the Lake Kezar meeting.

Sales Still Booming in Canada

TORONTO—Sales of ordinary life insurance in Canada in March reached \$101,992,000, indicating that the boom in life insurance buying in Canada is being maintained at a brisk clip. New life insurance sales for the first quarter totalled \$271,561,000, according to the Canadian Life Insurance Officers Association.

No Examination for C. L. U.'s

Applicants for life agency licenses in Pennsylvania who possess a C.L.U. designation will no longer be required to pass the beginners examination, Commissioner Neel announced in a message to a fire insurance agency group at Scranton.

Eastern Managers' Round Table

Eastern life managers held their annual round table conference at Hot Springs, Va., the first three days of this week. The first day was devoted to a discussion of the recruiting, education, supervision and financing of new agents, on Tuesday increased production, financing, education, supervision and elimination of old agents made up the topics.

On Wednesday methods of improving agency management and trends in the business were discussed.

Hiller Supervisors' Speaker

At the luncheon of the Life Agency Supervisors Club of Chicago May 9, Walter N. Miller, Penn Mutual, will speak on business insurance.

Sells Peoria Life Building

Alliance Life of Chicago has sold the Peoria Life Building at Peoria to the First National Bank of Peoria for a reported \$935,000. The building, taken over at the time Alliance absorbed the business of Peoria Life, was one of the few real estate holdings remaining in the Peoria fund. The large number of farm properties taken over have been gradually disposed of.

Reinsurance business of Alliance is from \$1 million to \$1½ million ahead of the first quarter of 1945. Other business has shown fine increases, including a considerable amount of group and individual hospitalization plans.

Hundreds of sales ideas in The Accident & Health Bulletins. Write the A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, O.

Sales Ideas and Suggestions

Columbus Congress Develops Wealth of Material

COLUMBUS—Irvin Bendiner, New York Life agent at Philadelphia, warned the annual sales congress of the Columbus Association of Life Underwriters that they should not get the idea, just because they had sold a lot of life insurance in the last year or so, that they are all supersalesmen. Times are going to change in the next year, he said, and selling is going to be more competitive.

As articles now in limited production come back on the market, he said, there is going to be more competition for the prospect's dollar. Many new businesses are going to start up, some by GI's and persons with little or no experience. He predicted business hazards would be high, but he saw in life insurance in its various forms a way to save many concerns from bankruptcy. "We have been talking a great deal about inflation," he said. "We should be doing some talking about deflation." Inflation or deflation, life insurance is the best protection.

Tells of Opportunities

Mr. Bendiner discussed various phases of life insurance and outlined the prospects or business in each. Among those having a bright future, he said, are business and mortgage insurance. He told of the technique that will be necessary to write this business and warned the agents to think clearly and have their sales story well in hand before approaching a prospect. "Don't bog down in what you have to say," he urged. Old age many not be the great hazard that it once was, he said, and expressed fear many returning soldiers will take the view they are living a sort of charmed life inasmuch as they were exposed in war and not killed. Thus they will assume that they are not the prospects for life insurance that they would have been otherwise. He pointed out, too, that many men holding high ranks in the service were able to buy large insurance policies, but now that they have returned to their more prosaic jobs, with much less income, they will not be able to pay such large premiums.

Other speakers were: W. R. Davis, Commonwealth Life, Louisville; James C. McFarland, general agent Ohio State Life, Cincinnati, and Bert A. Hedges, Business Men's Assurance, Wichita.

Mr. McFarland talked on "Simple Programming," saying it was not so much a method as a state of mind. He told of man's devotion to his family and his desire to care for it. The problem of the life underwriter then was to see the man under favorable circumstances, learning his problems, helping to solve them, and framing an insurance program that meets his individual needs.

He said life insurance is usually the best, and sometimes, the only solution. "A program," he said, "is simply a co-ordinated collection of all the insurance packages a man needs and can afford at the moment." Nearly all the interviews Mr. McFarland's staff makes are made on direct appointment. No effort is made to sell on the first interview and there will be no second call unless the prospect requests it. This is made plain to the prospect at the beginning.

Mr. McFarland said it always is made clear to the prospect that his first problem is living today, providing for his family tomorrow if he is taken, and providing for his own living in the future when he is unable to work. A simple request for names of people who would appreciate this service brings a continual flow of qualified prospects.

Mr. Davis urged the agents to get cash with the application and said com-

petition often results even after the sale has been made. Hearing that one agent had sold a policy to a prospect but had not collected anything on it, another agent may step in, declare he has a better policy and sell it. Point out to the client, he said, that it is his duty and responsibility to pay something down, because it not infrequently happens that death intervenes before the policy can be delivered. He urged the sale of larger policies, more on annual premium basis, and fewer "collect on delivery."

Bert Hedges Comments

Mr. Hedges said too many life agents have made too many calls and too many interviews for the immediate objective of collecting material for biographical sketches of prominent citizens and to demonstrate their own knowledge of life insurance, rather than to sell some protection now to the ordinary citizen and his wife and children. This is all very well, he said, for the life insurance specialists, who must prepare rather elaborate proposals with their well-to-do clients, but these specialists, he said, render very little real service to the rank and file of the insurance-buying public.

"The ordinary rank and file agent will do well to remember that so long as they understand the basic functions of life insurance, which is to protect the

man of ordinary means or upper wage brackets and his family, he need not be so particular about qualifying as to specific types of insurance to be sold them. I contend that to be a prospect for specific life insurance protection we must only answer the questions, 'Can he pay? Can he pass? Can I get to him?'"

All Have Some Needs

Relative to the question, "Does he need it?" Mr. Hedges said he believes "98% of the people on whom the average salesman calls do have a need for some amount and some form of the life insurance the agent has to sell. He has a need in the event of his death; his wife and children would have less of the necessities of life. If he lived, he would have a lower standard of living and less independence than he was accustomed to. I therefore refuse to worry about the 2% who might absolutely have no need for any forms of insurance I have to sell. My job as an agent, therefore, is getting to the prospect and making him want what I know he actually does need. For men buy what they want, rather than what they need."

Mr. Hedges urged that attention be given to strangers and that much importance be attached to one's personal acquaintances or introductions given by others. "I suggest the importance of having the right mental attitude in which the agent is always on the alert for prospects wherever he may be. He should be an enthusiast and make his business his hobby, as well as a means of livelihood. Do so and you will live longer and enjoy life more. And you will sell more insurance."

Fundamental Methods Still Are Best

ST. LOUIS—There are no short cuts to becoming a successful life agent and trick methods will not carry a man to heights, C. J. King, special agent Mutual Benefit, Kansas City, told a luncheon meeting of the Life Underwriters Association of St. Louis in a talk on "Clientele Building."

"Capitalize on merchandising methods that have proved themselves through the ages and above all, work hard 10 hours per day, 360 days a year," he said. He wrote 102 lives (no pension plans) for a total of \$1,097,000 last year and all of the business at standard rates. For about five weeks of the year he was away due to illness. He recently qualified as a million dollar producer for the second consecutive year.

Stopped to Cast Up Accounts

After he had gone through his early career in the rather routine way of most agents, occasionally writing a good case and then coasting along until suddenly he again would find himself "behind the 8 ball" he decided to put into use some of the advice after-dinner speakers at life agents meetings had been giving. He started to do some long-range planning by writing a \$3,000 or a \$5,000 this year and later some additional business on his clients as their condition of life made it possible and advisable for them to increase their life insurance protection.

He has made effective use of the telephone, saving leg work; often gets business leads through birthday greetings given personally over the telephone. "Some may say that's 'commercial' but it has worked for me," he said.

Takes Mystery Out of Selling

"Salesmanship is not a mystery," he said. "The process of successful selling is simply to let the people have what they want. Often they don't know themselves what they want, so you have to help them along at times."

"Work doesn't tire you out. It's the

work that you don't do that really makes people tired.

"Organize your time carefully and then do the work that ought to be done when it should be done."

He said a life insurance agent should expose himself to people who need life insurance in every way that is legitimate. He has no objection to seeing anyone at any time in any place on any matter that is legitimate and does all sorts of things that clients may want done, "especially when they pay me from \$3 to \$5 an hour for doing it."

Many Calls Daily

He said there will not be a week in 1946 that he will not write \$5,000 of business secured through use of the telephone to extend a birthday greeting to some person of his acquaintance. He makes 15 to 25 calls per day. He wrote \$250,000 last year on persons who called him by telephone for information about life insurance.

"Really there is something behind this business of service," he concluded.

Finds No Ambiguity in Status Type War Clause

A war clause of the status type applicable while the insured is serving outside the United States, District of Columbia or Canada excludes recovery for death in an army hospital in Alaska of an embolism following an appendectomy, the California supreme court has held in *Coit, admr. vs. Jefferson Standard Life*. The judgment of the lower court was affirmed.

Charles T. Parks, an army sergeant, bought a \$2,500 policy in 1942 and died later that year. His wife died just two months later.

The court found that there was no ambiguity in the contract and that the words used show a studied attempt to

Farmers Now Good Prospects

With the farm income in 1945 more than twice as large as in 1940 and with the prospect of an even better year in 1946, the farmer is a top flight prospect, Harry R. Sharlach, assistant manager of Prudential at Peoria, Ill., told members of the Illinois Round Table at their meeting in Chicago last week.

Farmers are buying and can afford to buy more life insurance than ever before, he said. Too many agents are inclined to feel that selling farmers is a specialized field, even though opportunities in this market lie close at hand to many towns. This is a foolish attitude, because the essential need for money which can be provided the farmer through life insurance is no different from that of a sole proprietor operating his business in the city. If the farmer is approached with a view toward providing funds for death expenses, mortgage coverage, income for wife and children, retirement income and educational funds, he is no harder to sell than the city buyer. Of course, it does help to be familiar with the farmer and his problems, but this is not absolutely essential to the agent and he will soon pick up knowledge about farming from his prospects.

It is strange that, though no lending agency will permit a mortgage to be completed unless it is covered for fire, there is little concern about the husband's chances of living long enough to pay off the mortgage, Mr. Sharlach said. The agent should point out that at age 35, one out of every six prospects won't make it to age 55, or long enough to pay off a 20-year mortgage. It is reasonable to expect the wife to insist that her husband first apply for a mortgage protection policy before she signs the mortgage agreement.

Insurance Priority

Mr. Sharlach told his hearers that the life agent is obligated to sell the idea that no person with dependents should contemplate making any speculative commitments outside of a business he may operate, unless he has first made sure his family will not have to suffer financially in the event of his premature death.

The business insurance market has revealed amazing potentialities to all who have gone after it. Almost every agent has learned how easy it is to write insurance on the lives of men who have just established a partnership arrangement, when prior to that time they refused to take individual policies.

"We are receiving considerable aid from the larger banks and trust companies in advertising the value of life insurance," Mr. Sharlach said. "I have personally used these advertisements I have at hand, which have helped me sell. They are especially acceptable to clients, because their sponsorship comes from institutions not in the insurance business."

get away from the constricted meaning for which the plaintiff contends. The language according to the court means that death "from any cause," however remote from, or unrelated to, actual hostilities is within the limitation of liability if it occurs under the conditions named.

Judge Carter, dissenting, took the position that the rider being labeled "war risk exclusion" means only one thing, a risk or hazard incident to or the consequence of war—the proximate result of war. Hence he contended that there was a conflict between the caption and the language of the rider itself.

EDITORIAL COMMENT

Stone's Successor and State Regulation

The choice of a man to fill the vacancy on the U. S. Supreme Court caused by the death of Chief Justice Stone is of vital importance to the future of the state regulation of insurance. He may well be the deciding factor in cases that will come before the high court as a result of public law 15 and other legislation, both state and federal, growing out of the Southeastern Underwriters Association decision.

Essentially the S.E.U.A. case involved the question whether insurance should be regulated by the federal government or by the states. Appointment of a justice who favors extending still further the rule of the federal government would tip the scales even more heavily in the direction of federal regulation of insurance, for Chief Justice Stone was the principal spokesman of the dissenters in the S.E.U.A. case. It would give the proponents of a stronger federal government a majority of the entire court instead of merely a majority of the seven members who participated in the S.E.U.A. case.

On the other hand, if the new appointee should lean strongly towards states' rights and share the fear that many have of an all-powerful central government there would at least be reason to hope that state regulation would receive the sympathy of a majority of the court.

The views of the Supreme Court members are of vital importance to the future of state regulation no matter what legis-

lation Congress and the states may enact. If a majority of the court is bent on extending the jurisdiction of the federal government it will be very difficult to keep that from happening even though Congress may wish to leave things as they are. It is obvious from public law 15 that Congress is disposed to leave the regulation of the insurance business in the states' hands. Yet it is equally clear that because the Supreme Court had said that the insurance business is commerce Congress could not undo that decision and bring back the status quo.

We can only hope that the new Supreme Court justice will not be so enchanted with the idea of federal control of practically everything that he will feel it necessary to push the states out of the insurance regulatory picture. We hope that he will be a man who realizes that there are some things that the states can do better than the federal government, particularly when they have the advantage of so many years of experience. And finally, whether he favors states' rights or centralization of power in the federal government, we hope that the new justice realizes that legislating is the province of Congress, not of the courts and, as Justice Jackson expressed it in his dissenting opinion in the S.E.U.A. case, "The orderly way to nationalize insurance supervision, if it be desirable, is not by court action but by legislation. . . . This is the method of responsible democratic government."

The 1946 Insurance Rush

As if a signal had been given, commencing Jan. 1 all forms of insurance virtually leaped ahead and life, fire and casualty men today are totting up first quarter results unbelievably. Life insurance sales were some 50% ahead for the first three months, fire insurance company premiums are up a full 30% and casualty is correspondingly buoyant.

Where is it coming from and how long can it last are the questions on every insurance man's tongue these days. What is happening comes close to being a spectacle and phenomenon. It is a golden day for insurance salesmen, albeit the diet is almost more than the insurers can stomach what with unmarried policywriters going off to get married and the married clerks departing for a try at domesticity.

The strangest circumstance is that the mighty upsurge struck right after New Year's and it was some weeks before individual company men and agents dis-

covered that their experience was not exceptional but that there were nylon queues at the counters of all insurance offices.

It is a disquieting sort of prosperity to many. Salesmen like to rake it in, but the high spirited salesman relishes the encounter and is all but disappointed when the prospect says "yes" before the sales talk is well under way. Those with sales managerial responsibilities are at a loss how to make plans. For instance, a large life insurance general agent bulged out of his office with the first quarter activity and managed to get additional space. His overhead went up and then the production of his force fell off for a week. He was nervous, fearing that he had been too impetuous in expansion. The next week, however, the sales went up again and he feels better now.

Some of the life company executives take a somewhat dim view of it all, in

view of the fact that in the same period that sales were increasing 50% the government bond yield was dropping .4 points. Those insurers that have rate revisions in the mill regret that they didn't get their new manuals out sooner.

Fire insurance men take much comfort in the increase. The fire losses during each of the last four months reached a new all-time high level and what is needed is insuring closer to value to get the income in supportable relationship to outgo. And that is taking place with almost a vengeance. The increase in automobile premiums is not so welcome because every new dollar of auto premium threatens to turn into well over a dollar of outgo, but the rates have been jacked up and the insurers are philosophical about it.

Accident and health sales continue to skyrocket. One A. & H. specialty company that pays a high first year commission and a nominal renewal has rationed its agents in their production, either they must hold their sales to a maximum quota or they must agree to defer their commissions for five years. The sales pace, unchecked, would tax surplus too severely.

The phenomenon, of course, is a mighty testimonial to insurance. It shows that the public is thoroughly sensitive to the importance of protecting

its values—life values, income, property values. Perhaps the shortages coupled with inflation have caused people to realize how precious are the things that they possess and that can, at best, be replaced only at a far steeper cost than their original investment and have caused men to appreciate how vital to their families is the continuation of their income. They have the wherewithal to buy the protection and yet it is the fact that they are so well heeled that is putting such a premium on goods and services of all kinds and that necessitates increased insurance.

Men see that their families can't have the kind of living that they envisioned for them on their life insurance of say five years ago, having the money to improve the situation and automatically thinking of insurance as the solution, they buy with little or no prompting.

Likewise when a property owner is brought up short with the realization that his present insurance would provide him not much more than a Quonset hut it doesn't require the chloroform treatment to get him to adjust his insurance.

Third party liability limits are also easily increased as insured realize the effect of inflationary pressure on verdicts, such as for instance the judgment for \$165,000 obtained by an injured employee.

This year may long be remembered as the 1946 insurance rush.

PERSONAL SIDE OF THE BUSINESS

John E. Velton, district manager of the Metropolitan Life, has been elected president of the Ogden (Utah) Rotary Club.

Ralph F. Burns, executive secretary of the New York City Life Underwriters Association from 1943 until May, 1945, is moving to Delaware, O. He left the association to devote his full time to being national executive secretary of his college fraternity, Delta Sigma Phi, which is transferring its national headquarters there from New York City.

R. D. Taylor, legal adviser of Sun Life of Canada, has been appointed a King's Counsel.

Michael J. Cleary, president of Northwestern Mutual Life, has been reappointed to the board of regents of the University of Wisconsin for a term expiring May 1, 1953.

A. Otis Graeser, who was assistant secretary of Ohio National Life before entering the army, has received the army commendation ribbon for meritorious service in connection with his advice which contributed to successful processing of over 200,000 class E bond allotments to 300 life companies.

Victor G. Leyrer of the Lansing agency of Ohio National Life was elected chairman of the city planning commission at Lansing. He was also elected treasurer of the Greater Lansing Community Chest fund for the second year.

L. Douglas Meredith, vice-president National Life of Vermont, wound up

his business and speaking tour with a talk before 400 members of the Texas Mortgage Bankers Association. He spoke on investment problems of life companies in the next 10 years. Similar speeches had been made by Mr. Meredith at Memphis, Dallas and Houston, stressing the importance of mortgage loans as investments for life companies.

Julian Price, chairman of Jefferson Standard Life, was awarded the honorary degree of LL.D. at the sesquicentennial convocation of the University of North Carolina at Chapel Hill.

J. Elliott Hall, regional superintendent of agencies at Orlando, Fla., celebrated his 25th anniversary this week with Penn Mutual. He has been in charge of the southern zone since 1943. His insurance career started in 1902, and he has had experience as agent and general agent, having built up a large agency in New York city.

DEATHS

Adolph G. Rosengarten, 76, trustee of Penn Mutual since 1923 died. He was also a director of Mutual Assurance.

Charles A. Hood, 73, of Portland, Ore., with Mutual Life for 34 years, died in Portland. He was the father of Wilbur K. Hood, general agent of Mutual Life in Oregon.

Andrew B. Shea, 56, manager of the Equitable Society at Minneapolis since 1931, died there. He was born at Chip-

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pewa Falls, Wis., and as a young man studied law, later engaging in the banking and real estate business in western Minnesota. In 1922 he was appointed manager for Equitable at Sioux Falls, S. D., going to Minneapolis in 1931 as manager.

Forrest E. Post, 56, former manager of Equitable Society in Seattle, before his retirement in 1930 because of heart trouble, died shortly after collapsing near his home in Milwaukee. Before going to Seattle in the early 1920s, Mr. Post was assistant manager of Equitable in Milwaukee for 10 years.

Charles W. Cammack, who for 54 years represented John Hancock Mutual at Huntington, W. Va., and served as general agent from 1917 until 1942, died there. His personal production over 40 years was \$7,000 per week. In 1928 his son, Howard Cammack, became associate general agent with him and this partnership continued until Howard became general agent for the John Hancock at St. Louis in 1932. His younger son, Chas. W. Cammack, Jr., was associated with his father at Huntington 1926 to 1942, when he became associated with his brother Howard as general agent at Charleston, W. Va.

Charles W. Cammack devoted a great deal of his time to charitable and civic enterprises. Many present life insurance executives received their early training under him.

Prudential Athletes Elected

The Prudential athletic association, comprising the personnel of the company's home office staff, has elected new officers, with George H. Johnson, assistant manager of Division L, assuming the presidency. Nearly 9,000 ballots were cast.

Others elected were Harry Oberhauser and James B. Kinnealy vice presidents. Edward Beahan, secretary; Joan E. Judd, assistant secretary; Thomas F. Kietly, Jr., financial secretary, and Henry J. Schmidt, treasurer.

Badger Before Actuaries May 10

At the meeting of the Actuaries Club of Boston May 10, Sherwin C. Badger, financial secretary of New England Mutual, will discuss "The Current Investment Situation and Trends as Affecting Life Insurance." In addition there will be a discussion of a summary of mortality experiences, outstanding and deferred premiums, liabilities at interest only and general consideration of future programs.

Manhattan's Graphic Report

Adopting a new, larger format and using an increased number of pages, the annual report of Manhattan Life shows policyholders pictorially how life insurance works. By means of sketches, each with brief explanatory text, there is dramatized the procedure followed in placing a life insurance policy in force, as well as the benefits of insurance to the individual citizen and the nation.

In next year's report, it is planned to show pictorially the detailed working of one or more departments in the home office.

The report shows the relationship of government securities held at various times during the war and the company's assets, a picture of war veterans employed by the home office, and a memorial plaque honoring two Manhattan Life employees who were killed in action.

N. Y. Managers Program May 23

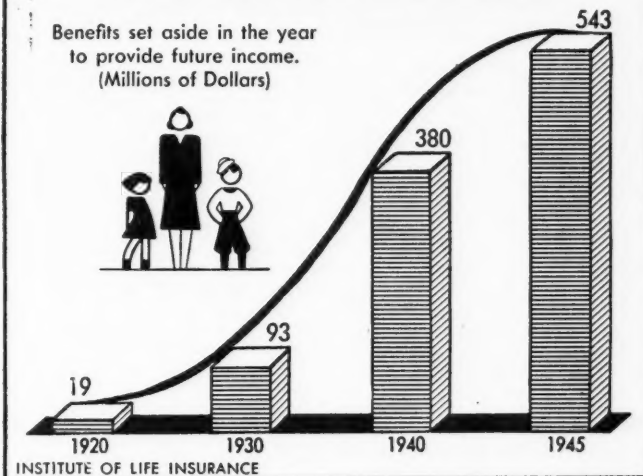
NEW YORK—At its spring meeting May 23 at the Hotel Pennsylvania the Life Managers Association of Greater New York will hear discussions of veterans' training on the job program in life agencies, Guertin legislation, and social security and the agent.

Hartz N. J. Trust Council Speaker

The Life Insurance & Trust Council of North Jersey will hold a dinner meeting in Newark May 20. Raymond E. Hartz will speak on "Something New

NEW PEAK IN INCOME USE OF LIFE INSURANCE BENEFITS

Benefits set aside in the year to provide future income. (Millions of Dollars)



Increased Use of "Comic" Technique in Insurance "Ads"

NEW YORK—Cartoons and the comic-strip technique are finding increasing favor with insurance advertisers and surveys have shown a high degree of effectiveness both in holding the reader's attention and in influencing sales.

Some advertising experts believe that the effectiveness of cartoon advertising is partly due to the war. Apparently wartime tension made people even more ready than usual to welcome anything funny. Another factor is doubtless the improvement in adapting the cartoon technique to advertising so that it sells the product as well as amuses the reader. If an advertiser pays enough money there is of course no trouble in getting funny cartoons that will make the readers laugh but unless the cartoons tie in naturally with the sales message they will not only lose much of their selling effectiveness but may cause many readers to wonder if the advertiser hasn't gone soft in the head.

Earlier Efforts Fell Short

Some of the earlier cartoon advertising was irritating to readers because it was fixed up to fool them into scanning it under the impression that it was a regular, non-advertising cartoon. Many of these drawings were rather pointless and though they did seduce the casual reader into looking at them and reading the sales talk included in the caption they tended to produce a feeling of resentment at having been, in a sense, cheated into listening to the advertiser's message.

The newer type of cartoon makes no pretense of being anything but advertising. Yet they are good enough to attract readers and many of these cartoons are sufficiently amusing and well tied in with the advertising message that they not only put the latter across more effectively than straight "reason-why" copy but they tend to make the reading public feel more kindly than before to this type of advertising.

Humor in advertising has always been regarded as a risky proposition, something that might backfire on the adver-

in Estate Planning." He is president of the Estate Planning Corporation & Fiduciary Council of New York.

Fred S. Fern, retiring president of the council, will be presented a testimonial certificate for his efforts in behalf of the organization.

tiser in totally unexpected ways. Apparently however the cartoon technique lends itself to such ready understanding that there is very little danger of a surprised advertiser getting letters of the "Dear Sir, You cur" variety.

\$2 Million in Monthly Ordinary

Monthly debit ordinary life in force in John Hancock Mutual has now reached the \$2 million mark.

John Hancock began to write monthly debit ordinary in October, 1936, and attained its first million in six years.

Utica John Hancock Winner

The President's Trophy, awarded by John Hancock Mutual each year for outstanding work in the district agency organization, has been awarded to Utica. This district attained the highest number of points ever accumulated in the competition.

If you sell disability insurance, don't be without **The A. & H. Bulletins**. Write The A. & H. Bulletins, 420 E. 4th St.,

Cuts Out Writing Less Than Semi-Annual Lines

Standard Life of Indiana has ceased accepting applications for insurance where the premium is to be paid more frequently than semi-annually except in policies written under an already established salary savings plan.

This is being done, President Harry V. Wade states, in the interest of policyholder, agent and company.

Lincoln National Mexico Trip

Members of the President Club of Lincoln National will leave by train from their western meeting at Estes Park, Colo., on July 18 for Mexico City and a week's stay at the Pasada Del Sol hotel.

From there the club members and their wives will be conducted on tours of Mexico City, Xochimilco, Cuernavaca and Taxco. During the last two days they will visit the monastery of El Deriento, viewing the pre-Aztec pyramids, and Cholula, Toluca and the Pueblo valley.

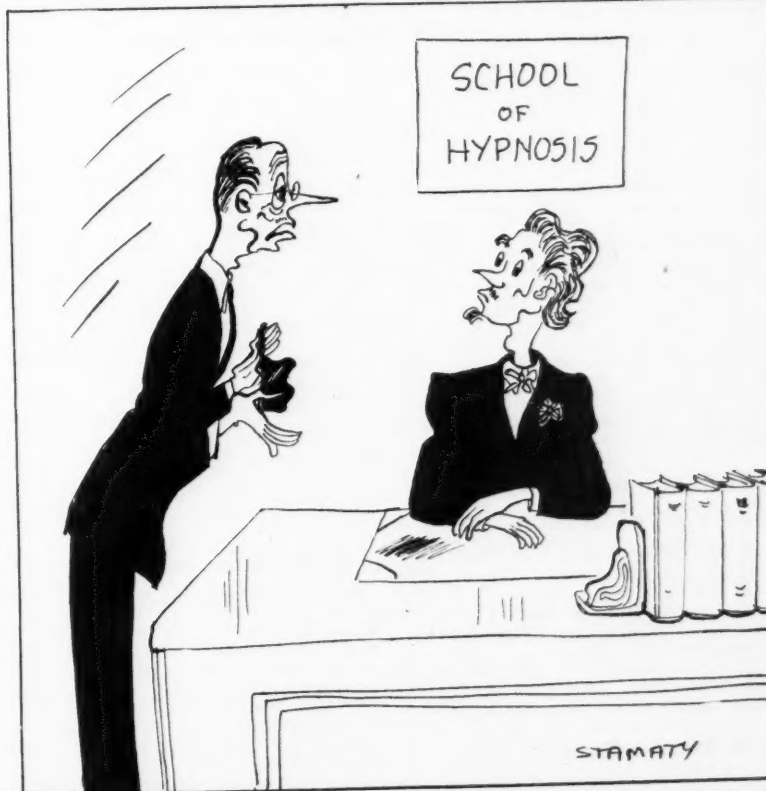
Matthews Excelsior Life V.-P.

A. Bruce Matthews, son of Ontario's lieutenant governor, has been named vice-president and treasurer of Excelsior Life and a director of the company. He succeeds Charles Q. Parker, who has retired after serving the company for 50 years.

RECORDS

Great Northwest Life—Written business for the first three months was 110% more than it was for the same period of 1945. Increase in insurance in force equaled the whole year of 1944, and equaled the first six months of 1945. Paid for business was 98% greater.

Occidental Life, Cal.—All previous records in paid ordinary life is exceeded in March and a new quarter year record established with gain of more than 50% over the same period last year. Paid ordinary in March totaled \$18,219,111 and for the first quarter \$14,634,259. Written ordinary in March was \$19,327,179, and the company had exceeded \$16 million for four consecutive months. March applications exceeded February, 1946, best previous month, by \$2,647,257.



"I'M DESPERATE,-- I WANT TO HYPNOTIZE THE INSURANCE DOCTOR SO THAT HE WILL PASS ME FOR LIFE INSURANCE."

AMONG COMPANY MEN

Arnold K. C. Life Sup't of Agencies

Kansas City Life has promoted J. Frank Barr from vice-president and superintendent of agencies to vice-president and director of agencies, and elected Charles W. Arnold to the position of superintendent of agencies.

Mr. Barr has just completed 40 years with the company. He started as agency supervisor for Missouri.

Mr. Arnold joined Kansas City Life in 1921, while still in high school. He worked half-days during his high school period and on a part-time basis during the time he attended University of Missouri. In 1926 he became a full-time employee, and during the following 11 years was associated with practically every department. Until his election as assistant secretary in 1937 he had produced a substantial volume of business each year.

During 1940 and 1941 Mr. Arnold handled the issuing of new policies and all special settlement agreements. As he became proficient in programming he was called upon by the agency department to visit many agency meetings. Early in 1942 Mr. Arnold transferred to the agency department and was made assistant superintendent of agencies, directly under Mr. Barr.

To Merge Northern Mutual Into Bankers L. & C. and Increase Benefits 50%

Policyholders of Northern Mutual Casualty of Chicago will have an opportunity to vote on a proposal to merge the company with Bankers Life & Casualty at a special meeting at Chicago May 18, Howard F. Kirk, president of Northern Mutual, announces.

In a letter to policyholders Mr. Kirk stated that, when the merger is consummated, it will give policyholders a 50% increase in benefits. These increases have been offered in exchange for policyholders' equities in Northern Mutual.

As an example, he said, death benefits of \$1,000 will be increased to \$1,500; hospitalization benefits of \$4 per day will be increased to \$6 and a surgical benefit of \$100 will become \$150.

Provision is also made for taking care of dissenting policyholders.

The merged company will do business as Bankers Life & Casualty, of which John D. MacArthur is president.

Northern Mutual and Bankers Life & Casualty have approximately 150,000 policyholders located in Illinois, Indiana, Ohio, Michigan, Missouri, Florida and West Virginia.

Worthington Named Director and V.-P. of Church Life

Robert Worthington was elected executive vice-president of Church Life and the Reverend Clarence H. Horner and Mr. Worthington were elected directors. Mr. Worthington has been secretary for some years.

Cancellation of the war risk exclusion clause was authorized but has not been attached since the fall of 1945.

J. H. Domelle Retiring

John H. Domelle, secretary of Canada Life, is retiring. He has served as secretary since 1930 and has been with the company 43 years.

Monahan Is Elected by Provident Mutual

Lt.-Col. DeLong H. Monahan has been elected financial vice-president of Provident Mutual Life.

Mr. Monahan received his discharge from the armed forces on March 31. He had been serving in the renegotiation division, headquarters army service forces in Washington and had been on leave of absence since the middle of 1942.

Dartmouth Graduate

Mr. Monahan is an alumnus of Dartmouth college and of the Amos Tuck school of administration and finance. After three years of service with the New England Telephone & Telegraph Co., he became supervisor of analysts for Scudder, Steverson & Clark, investment counsel.

Mr. Monahan entered Provident service in 1932 as a security analyst. He was elected assistant treasurer in 1934 and became financial secretary in 1941.

Mr. Monahan was awarded the army commendation ribbon.

Russell Senior Supervisor with Commonwealth Life

Louis G. Russell, Jr., has returned to Commonwealth from the armed forces, and has assumed the duties of senior supervisor in the ordinary agency department at the home office.

He originally joined Commonwealth in 1928 and served successively as editor of the company magazine, field man, and industrial department manager at Mobile, Ala. He was special assistant in charge of sales promotion of regular ordinary insurance for the industrial department in Mobile when he entered the Army in 1944.

During his military service, Mr. Russell was trained in radio communications and later assigned to the criminal investigation department overseas. He was discharged in January.

Scott Taggart Leaves on Mission to Switzerland

SALT LAKE CITY—Scott Taggart, superintendent of agents of Pacific National Life, has received a call from the heads of the Latter Day Saints church to become president of the Swiss mission. He will be accompanied to Switzerland by Mrs. Taggart, his son, Scott, who is to be mission secretary, and his daughters Claire and Carol. He was introduced into the life insurance business by his brother, Grant Taggart, Cowley, Wyo., former president National Association of Life Underwriters, and his first contract was with California-Western States Life. This is Mr. Taggart's second mission to Switzerland, the first being in 1916. For quite awhile he was a member of the famous Mormon tabernacle choir, which for the last 15 years has been heard Sundays in a national radio broadcast.

No successor in his post with Pacific National has been announced. He expects to be absent for four years.

E. H. Speckman, Jr., Returns

E. H. Speckman, Jr., has resumed his duties in the ordinary department of Kentucky Central Life & Accident as assistant manager following his discharge from the army. Mr. Speckman is a graduate of Centre College and started with the company as a special agent in 1938 in 1939. He became a staff superintendent and in 1943 was appointed manager at Danville, Ky. He was appointed to his present position in 1945 and shortly afterward was inducted into the army. He is the son of E. H. Speckman, president.

Grant District Manager for Schnell at San Bernardino

William P. Grant has been appointed by Penn Mutual as district manager at San Bernardino, Cal., for the F. A. Schnell agency of Los Angeles. He has had broad experience in life insurance, starting at Seattle where his father, the late Joseph F. Grant, was general agent for Penn Mutual. Will Grant went east and was trained in the J. Elliott Hall agency, New York City, then went to the home office general agency school.

He took charge of the Oakland agency in war time during the absence of the general agent, and later did the same thing at Cincinnati. Then he went into the navy, was commissioned, assigned to various naval training centers, served as a commanding officer of an armed guard unit and saw action in the Pacific. Recently he was released from active duty with the rank of lieutenant. Mr. Grant was educated at University of Washington and is a former president of that university's alumni association.

Shean Named by Houle as Assistant General Agent

William F. Shean has resigned as group specialist of Sun Life of Canada in Chicago after about four years' service, and has been appointed by A. R. Houle, general agent Massachusetts Mutual Life there, as assistant general agent.

Mr. Shean started in insurance at Chicago about 1936 with the Phoenix Fire of London group as file clerk. Then after two years for four years he was outside the business before joining Sun Life.

He is a graduate of Loyola University and has been a group specialist for several years. He will serve in the same capacity with Mr. Houle, and also will handle the brokerage production and contacts, and will recruit and train agents. Massachusetts Mutual formed a group department earlier this year and will make available a complete line of those contracts.

Putnam Travelers Seattle Manager; Waltz Retires

William L. Waltz, life manager at Seattle for Travelers, retired May 1 after 35 years with the company, and is succeeded by Philip B. Putnam.

Mr. Waltz started as an agent with Travelers at Seattle in 1911, was made field assistant in 1912 and three years later was promoted to the position which he held at the time of his retirement. He had charge of Washington, northern Idaho and Montana.

Mr. Putnam went with Travelers 21 years ago at Los Angeles and later managed the Long Beach agency. He served as a major during the war and on being released last June was assigned to the Seattle office.

Bishop to Home Office; Greene Miami Manager

Donald E. Bishop, who has been manager of the Miami ordinary agency of Prudential, has been promoted to the position of supervisor at the home office. He will be succeeded as Miami manager by Harry S. Greene, who has been assistant manager of the Orlando ordinary agency and is now named manager.

Mr. Bishop joined Prudential in 1930, as special agent and was promoted to assistant manager in 1940. A year ago he was appointed manager at Miami.

Mr. Greene became a special agent at Orlando in 1940, and was made assistant manager in 1941.

Mr. Greene was athletic director and coach of the Orlando high school from 1930 to 1940. He is a past president of

the Florida High School Coaches' Association and president of the University of Florida Alumni Association in Orange County.

Savage in Sole Charge of Baltimore Agency

New England Mutual's Baltimore agency now is under the sole direction of Frederick A. Savage, Jr., as general agent.

Lt. Col. Maynard C. Nicholl, his former partner, has resigned to join the insurance division of the veterans administration, where his 11 years of military service, together with 14 years in life insurance, will provide a valuable background.

Mr. Savage has been associated with the agency since graduation from Princeton in 1923. Becoming a partner in 1928, he has shared in the management ever since, with the exception of two years recently in important work in England for the Red Cross.

The agency offices, with personnel otherwise unchanged, will remain at 2 East Redwood Street, Baltimore.

Carruth Named at Chillicothe

F. S. Carruth has been named general agent for the Franklin Life in Chillicothe, O. He recently returned after four years' army service.

General American in Utah

General American Life has entered Utah and appointed L. B. Bigler general agent at Salt Lake City. Mr. Bigler has been general agent for Ohio National at Salt Lake City.

General American now operates in 24 states.

Baker Is Windsor Manager

Northern Life of Canada has appointed A. Baker manager at Windsor, Ont.

Moser Resumes Indiana Post

Richard J. Moser, district agent of Northwestern Mutual Life at New Albany, Ind., has returned after two years' service in the army in the Philippines and Japan. Before entering the service, for three years he was the leader in production in the B. A. Million general agency for southern Indiana. He will enter the next refresher course of his company at Milwaukee June 10.

Wooten to Dixie Home Office

J. L. Wooten, manager of Dixie Life for 11 years at Winston-Salem, N. C., has been promoted to a home office position. R. S. Bullock, assistant manager, succeeds him in Winston-Salem.

Joseph P. Hauser, son of A. A. Hauser, district agent of Northwestern Mutual at Hartford, Wis., has returned from service in the army air corps and become associated with the agency. He is taking the life insurance marketing course at Purdue.

SALES MEETS

Carroll Agency at Oshkosh Holds Sales Conference

OSHKOSH, WIS.—The first full annual meeting since the start of the last war was held by the M. A. Carroll general agency of Northwestern Mutual here.

The business program, in charge of Mr. Carroll, included talks by Ralph W. Emerson, assistant director of agencies; Dr. R. W. Benton, assistant medical director, and W. E. Minahan, secretary's department assistant, from the home office.

Others who addressed the meeting

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included Don Ross, Des Moines, merchandising manager "Successful Farming"; R. C. Ferguson, Chicago, western manager of the publication, and P. L. Rohrer, Chicago psychologist. The field force of the Carroll agency from 22 counties and guests attended a cocktail party and dinner.

Great-West Convention to Be Held June 23-26, 1947

The first international convention of Great-West Life since 1939 will be held at Jasper Park Lodge, Jasper National Park, in the Canadian Rockies, June 23-26, 1947.

This is a great natural playground with many recreational facilities and beautiful surroundings. The agents in the United States and Canada are campaigning to qualify for attendance. The qualification period is 13 months, April, 1946, to the end of April, 1947.

Lincoln National Parleys

Lincoln National Life is holding a meeting at Chicago June 10-12 for about 150 of its leading producers from 11 middlewestern and southern states. Later there will be similar meetings at Atlantic City and in Colorado. The banquet in Chicago will be June 11.

Gastil Agency Has Seminar

The Walter G. Gastil southern California agency of the Connecticut General Life in Los Angeles held a seminar at which estate planning, changes in tax laws and other problems were discussed, with 47 present.

Gen. American Okla. Outing

A three-day outing has been arranged by William J. Newblock, general agent in western and central Oklahoma for General American Life, for May 31-June 2 at Lake Murray. The group will be joined by members of the eastern Oklahoma agency with headquarters in Tulsa. Ripley M. Bowden, vice-president and agency director, will represent the home office.

Continental South Bend Rally

LaMar Campbell, general agent of Continental Assurance, conducted an educational conference at South Bend, Ind., with Joseph K. Dennis, vice-president, and Robert Beck, educational director from the home office, as the main speakers.

COMPANIES

Modern Life Anniversary

Modern Life of St. Paul is observing its silver anniversary year and special efforts will be made in production as well as other observances. Insurance in force now stands at \$28,522,739, assets \$3,565,420, net interest earned in 1945 was 3.5%. It operates in Minnesota, Mississippi, Louisiana, Texas, Colorado, Nebraska, Florida and Utah.

North American L. & C. Gains

President H. P. Skoglund of North American Life & Casualty reports that in 1945 premium income increased 22%, insurance in force 35% and assets 31%. The company has just observed its 50th anniversary.

American Bankers Lien Reduced

A 10% reduction in liens against policies of American Bankers has been announced by Rockford Life, which reinsured American Bankers in 1939. A statement from the company to policyholders said the reduction was made possible by careful administration and that it was hoped other reductions would be made in the future.

Constal States Life of Georgia has entered Louisiana. It already was operating in Georgia, South Carolina and Alabama.

Philadelphia Life's New Contracts

Philadelphia Life has brought out family income riders, a retirement annuity contract, and juvenile insurance with full benefit at age 5. The family income rider may be attached to a policy of \$2,500 or more, either old or new, and provides for waiver of premium if premiums are waived on the principal policy. The rider is not convertible.

Annual premiums for \$10 monthly are:			
Age	10 Yr. Period	15 Yr. Period	20 Yr. Period
15	\$1.86	\$2.79	\$3.65
20	2.08	3.07	3.99
21	2.12	3.11	4.07
22	2.15	3.15	4.14
23	2.17	3.19	4.21
24	2.19	3.22	4.28
25	2.22	3.27	4.36
26	2.24	3.31	4.43
27	2.26	3.35	4.50
28	2.27	3.41	4.56
29	2.29	3.47	4.79
30	2.33	3.55	4.95
31	2.37	3.65	5.14
32	2.44	3.78	5.35
33	2.50	3.93	5.61
34	2.59	4.10	5.91
35	2.69	4.30	6.23
36	2.82	4.54	6.63
37	2.96	4.80	7.06
38	3.12	5.10	7.55
39	3.30	5.44	8.10
40	3.51	5.82	8.70
41	3.74	6.26	9.38
42	4.02	6.74	10.13
43	4.31	7.27	10.96
44	4.65	7.87	11.88
45	5.02	8.55	12.87
46	5.43	9.25	13.99
47	5.89	10.05	15.21
48	6.40	10.92	16.55
49	6.95	11.89	18.03
50	7.58	12.95	19.64
55	11.54	20.07	...
60	17.64	...	...

The retirement annuity provides for a monthly life income, 120 months certain, on any anniversary of the policy on which the annuitant's age is between 50 and 70. The annuitant has the option of electing a no-refund or instalment refund life income. Death benefit prior to commencement of monthly income is the total premiums paid or the cash value, whichever is greater. Annual premiums for \$10 monthly life income, 120 months certain, at various ages are:

Age	Male			Female		
	55	60	65	55	60	65
15	29.30	21.67	16.17	32.33	24.12	18.06
20	36.17	26.33	19.40	39.91	29.30	21.67
21	37.81	27.42	20.15	41.72	30.52	22.51
22	39.56	28.58	20.94	43.66	31.80	23.39
23	41.44	29.81	21.77	45.73	33.17	24.31
24	43.46	31.11	22.65	47.96	34.62	25.29
25	45.61	32.50	23.57	50.34	36.17	26.33
26	47.94	33.97	24.55	52.90	37.81	27.42
27	50.44	35.55	25.59	55.66	39.56	28.58
28	53.16	37.24	26.69	58.66	41.44	29.81
29	56.11	39.05	27.85	61.91	43.46	31.11
30	59.30	40.99	29.10	65.44	45.61	32.50
31	62.81	43.07	30.42	69.31	47.94	33.97
32	66.63	45.32	31.83	73.53	50.44	35.55
33	70.87	47.77	33.34	78.21	53.16	37.24
34	75.54	50.41	34.96	83.26	56.11	39.05
35	80.72	53.29	36.70	89.08	59.30	40.99
36	86.28	56.44	38.57	95.21	62.81	43.07
37	92.52	59.87	40.58	102.10	66.63	45.32
38	99.53	63.68	42.77	109.83	70.87	47.77
39	107.43	67.88	45.14	118.56	75.54	50.41
40	116.49	72.54	47.71	128.55	80.72	53.29
41	126.96	77.53	50.53	140.11	86.28	56.44
42	139.09	83.14	53.61	153.49	92.52	59.87
43	153.40	89.43	57.02	169.29	99.53	63.68
44	170.54	96.54	60.77	188.20	107.43	67.88
45	191.41	104.68	64.95	211.22	116.49	72.54
46	...	114.08	69.42	...	126.96	77.53
47	...	124.98	74.44	...	139.09	83.14
48	...	137.84	80.07	...	153.40	89.43
49	...	153.24	86.44	...	170.54	96.54
50	...	171.99	93.72	...	191.41	104.68
55	...	...	153.99	...	...	171.99

Juvenile forms with full benefit at age 5 are in addition to the present full benefit at age 10 contracts. Premium rates for a few of the new forms just introduced are:

Age	End. Age 5		20 Yr. Life		End. Age 10	
	Pay.	Life	Pay.	Life	Pay.	Life
0	\$11.36	\$20.57	\$43.69	\$49.68	\$42.13	\$47.75
1	11.41	20.57	43.75	53.61	43.75	47.75
2	11.46	20.57	43.81	57.48	46.70	47.75
3	11.51	20.57	43.87	61.71	49.95	47.75
4	11.56	20.57	43.93	66.49	53.35	47.75
5	11.61	20.57	43.99	72.02	56.87	47.75
6	11.67	20.57	44.05	78.72	61.06	47.75
7	11.73	20.57	44.11	86.82	66.00	47.75
8	11.79	20.57	44.17	96.69	71.83	47.75
9	11.85	20.57	44.23	...	78.72	47.75
10	11.91	21.23	44.29	...	86.96	47.75
11	12.11	21.49	44.34	...	96.84	47.75
12	12.33	21.76	44.39	...	...	47.75
13	12.55	22.04	44.44	...	...	47.75
14	12.80	22.33	44.50	...	...	47.75

NEWS ABOUT LIFE POLICIES

Fidelity Union Brings Out Retirement Annuity Forms, Revises Juvenile Rates

Fidelity Union Life of Texas has just brought out new retirement annuity at 60 and 65 policies. Death benefit is \$1,000 or the cash value, if greater. Maturity values of \$1,720 at age 60 and \$1,530 at age 65 provide income to males of \$10 monthly for life, instalment refund. Income for females is \$9.19 at maturity age 60 and \$9.10 at age 65. Illustrative premium rates are:

Age	Ret. Ann.		Ret. Ann.	
	60	65	60	65
15	\$24.49	\$19.77	38	\$66.54
20	29.05	22.92	39	70.75
21	30.15	23.67	40	75.39
22	31.30	24.46	41	79.30
23	32.53	25.29	42	84.91
24	33.82	26.18	43	91.24
25	35.22	27.12	44	98.39
26	36.69	28.12	45	106.55
27	38.27	29.17	46	114.24
28	39.95	30.30	47	124.88
29	41.77	31.50	48	137.35
30	43.70	32.76	49	152.16
31	45.81	34.13	50	170.14
32	48.07	35.58	51	...
33	50.53	37.15	52	...
34	53.19	38.81	53	...
35	56.09	40.61	54	...
36	59.27	42.55	55	...
37	62.73	44.64	...	...

Single premium juvenile insurance now is issued as low as age 0 on the endowment at 85, 20 year endowment, 15 year endowment, and endowment at 18 plans. Revised premiums on annual premium juvenile forms are:

Age	End. Age 5		20 Pay.		End. Age 18	
	55	60	55	60	55	60
0	\$11.01	\$20.17	\$21.88	\$43.94	\$49.53	\$53.43
1	11.21	20.49	22.24	44.35	53.43	57.38
2	11.34	20.66	22.47	44.44	57.38	61.74
3	11.45	20.79	22.63	44.40	61.74	66.66
4	11.54	20.92	22.77	44.32	66.66	72.32
5	11.62	21.02	22.93	44.22	72.32	79.02
6	11.76	21.22	23.16	44.18	79.02	87.01
7	11.93	21.48	23.41	44.16	87.01	96.67
8	12.13	21.79	23.71	44.16	96.67	...
9	12.34	22.10	24.03	44.19	...	...

Capitol Life Issuing Two New Policy Riders

An unusual rider now is being written by Capitol Life of Colorado in the form of an "adult premium insurance supplementary contract" issued on the life of a husband in connection with any new policy issued to a woman on the ordinary life endowment at age 85, twenty payment endowment at age 85, and ordinary life paid-up at age 65 forms. It provides that in event of the husband's death within 20 years from date of issue, all premiums falling due thereafter for the balance of the 20 years from date of policy are waived.

Percentage Factors in Premium

The percentage factors applied to the total premium for the regular policy in ascertaining the extra premium are:

Age of Husb.	Factor		Age of Husb.	Factor	
	Factor	Husb.		Factor	Husb.
20	.09	31	.10	.42	.14
21	.09	32	.11	.43	.15
22	.09	33	.11	.44	.16
23	.09	34	.11	.45	.17
24	.09	35	.11	.46	.18
25	.10	36	.12	.47	.19
26	.10	37	.12	.48	.20
27	.10	38	.12	.49	.21
28	.10	39	.13	.50	.23
29	.10	40	.13	...	...
30	.10	41	.14	...	...

The other new rider is the "return of premium," which is issued with any new policy on the forms referred to above. In event of the death of the insured within 20 years from date of issue, but prior to age 60, all life premiums, together with the premiums for the return premium benefit, will be returned in addition to the death benefit provided by the regular policy.

Raises Non-Medical Limit

Midland Mutual has increased its limit for non-medical insurance from \$2,500 to \$5,000 at ages up to and including 40. The limit remains \$2,500 on women unless single, self-supporting. Non-medical applications will not be accepted from brokers.

MANAGERS

Sutherland Heads Detroit General Agents, Managers

A. D. Sutherland, Home Life, has been elected president of the Associated Life General Agents & Managers of Detroit. He served as vice-president last year and previously served several terms as treasurer. He succeeds E. W. Albachten, Pacific Mutual, who automatically becomes a member of the board.

R. H. Wertz, Reliance Life, becomes vice-president; W. M. Milligan, Manufacturers Life, secretary, and F. E. Pomeroy, New England Mutual, treasurer. New directors, in addition to Mr. Albachten, are A. P. Shugg, Union Central; J. E. McCann, Metropolitan Life, and H. J. McLaurin, Aetna Life.

Twin Cities Joint Meeting

"Building an Agency Organization" will be the topic at a joint afternoon and dinner meeting May 6 of the St. Paul Managers & General Agents Association and the Minneapolis Managers Association. Ray Haberman, of Northwestern National Life, Minneapolis; Hiram Moore, Mutual Life, St. Paul, and Robert Shay, Bankers Life of Iowa, will lead the discussion. There also will be a clinic discussion and question box.

CHICAGO

CHALLENGER IN ACTUARIAL FIRM

J. O. Challenger of Montreal, for many years in the home office of Sun Life of Canada, has joined Harley N. Bruce, Chicago consulting actuary. Mr. Challenger is a graduate of McGill University and is a fellow of the Actuarial Society of America and of the American Institute of Actuaries.

CHICAGO CLAIM MEN TO ELECT

The Chicago Claim Association will elect officers at its May 8 meeting. On the prepared slate for president is E. W. Englecke, Illinois Bankers Life. Others up for election are: Vice-president, R. E. Pearson, Prudential; treasurer, Paul Tyler, New York Life; secretary, E. G. Schaffnit, Washington National. Walter K. Greenebaum, Duluth & Georgian Bay Transit Co., Chicago, will speak on his experiences in South America. A report will be made on the golf meet planned for June.

PORTER IN N. Y. LIFE POST

Fred C. Porter, Jr., has been named to the newly created post of training supervisor in the central division of New York Life in Chicago. Mr. Porter has been manager at Fort Wayne for eight years and in 1945 chalked up a record for that branch. Practically his entire business career has been with New York Life which he joined in 1924.

NEW YORK

CONNELL TO SPEAK IN N. Y.

Another in his series of addresses on "The Fruits of Life Insurance" will be given at the luncheon meeting May 16 of the Life Underwriters Association of the City of New York by Clancy D. Connell, New York general agent, Provident Mutual, and president of the National Association of Life Underwriters.

The meeting will be held in Hotel Pennsylvania.

Nominations for the coming association election will be announced.

MONROE TO ADDRESS WOMEN

Stuart Monroe, agency assistant Equitable Society, will speak on "Changes in Tax Rulings Affecting Life Insurance" at the annual luncheon meeting of the League of Life Insurance Women May 7 in the John Wanamaker restaurant.

R. E. Marshall to Asheville Post

Robert E. Marshall has resigned as assistant actuary of Durham Life to become co-actuary of Imperial Life of Asheville, N. C. He is a graduate of Mississippi college and has a master's degree in mathematics from University of North Carolina. He was in the actuarial department of Pilot Life six years and has been with Durham Life 10 years.

NEWS OF LIFE ASSOCIATIONS

Florida Program May 15-17 Complete

The program has been completed for the convention of the Florida Association of Life Underwriters May 15-17 in the Roney Plaza hotel, Miami Beach.

On the 15th, general agents, managers, and district managers of Florida will meet to perfect a state organization of their own. Immediately afterward they will hear an address by E. L. Reiley, general agent of Penn Mutual Life, Cleveland. In the late afternoon, the General Agents & Managers Association of Miami will be host at a cocktail party. In the evening the general agents, managers, and district managers will have a banquet.

Thursday the Florida Association of

Life Underwriters will hold its business session and election. At noon the various companies will hold separate luncheons and meetings for their agents. In the late afternoon the C.L.U. group will meet and form a state organization. Clifford Orr, N.A.L.U. trustee and president American Society of C.L.U. will preside. In the evening the \$250,000 Round Table will have a banquet and organize. Charles Morehead, past president Florida Bar Association, will talk on "Estate Planning."

The Industrial Leaders Round Table will hold a banquet at the same time and will organize. The speaker will be Herbert R. Hill, district manager Life of Virginia, Richmond.

C.L.U. Group Breakfast

Friday morning all will meet at a C.L.U. breakfast, with Clifford Orr as speaker.

The sales congress for the day will begin at 9:30 with a welcome by Mayor Frink of Miami Beach and from Wayman L. Dean, national trustee. There will follow a talk by H. P. Gravengaard, associate editor Diamond Life Bulletins, Cincinnati, on "Business Insurance." Newell C. Day, general agent Equitable Life of Iowa on "Color in Selling" and Commissioner Larson of Florida will speak.

The group will gather for lunch and witness awarding of prizes to the winners in the high school essay contest. The winning essay will be read and broadcast over Radio Station WIOD, Miami. An address will be made by L. Seton Lindsay, former vice-president New York Life.

The entire group will meet in the evening at a banquet with William Kelgard, humorist and after-dinner speaker, on the program.

A sightseeing trip by boat and other recreations are scheduled for the afternoon.

"Want to Enough," McMaster Advises Cincinnati Men

CINCINNATI—Three "magic" words—"want to enough"—are the key to success in life insurance or in any other line of endeavor, F. A. McMaster, general agent Ohio National, Los Angeles, a member of the Million Dollar Round Table and a former Cincinnati, told the Cincinnati Association of Life Underwriters. An agent is in the business for two reasons—first, to provide a livelihood for his family and himself and, second, to render a service to his fellow man, he declared.

Requirements for Success

The agent must have a working, basic knowledge of the business, must have a simple sales presentation in order to have a track upon which to run, must carefully plan his work for the week, month and year in order that he may know in which direction he is headed, and he must always have plenty of names. Mr. McMaster said he found it advisable to have three prepared sales presentations, one each for estate programming, business insurance, and tax cases. Mr. McMaster has paid for \$600,000 already this year and he specializes on individual cases.

T. W. Strange, manager Ohio National, president, presented certificates of honorary membership to six additional members who have been singled out for their significant contributions to the business. The new honorary members are E. C. Peebles, Northwestern Mutual; C. Vivian Anderson, Provident Mutual; J. S. Drewry, general agent Mutual Benefit; W. A. R. Bruehl, Sr., associate general agent Home Life; R. H. Holterhoff, State Mutual, and C. J. Stern, general agent Union Central.

Ray Hodges, agency vice-president, Ohio National, introduced Mr. McMaster, who has led Ohio National field men in production since 1944.

Shoul Is Speaker at Cleveland

CLEVELAND—Speaking before the Cleveland Life Underwriters Association on "Creative Selling in Action," Jacob W. Shoul,



J. W. Shoul

agent of Mutual Life in Boston and veteran Million Dollar Round Table member, gave a list of practical "dos" and "don'ts" for the life agent who would be successful. He said basic rules given him 30 years ago are still good.

"Never keep a lot of complicated records," he said. "Don't try to work up too many actuarial problems in your office. Don't spend time in your office reading the paper. Don't worry about competition. Don't worry about who is running for office; keep out of politics. Remember that your job is to sell life insurance, so keep on calling on people. Don't forget that the best idea in the world is worthless if its creator is a loafer."

Tell What Insurance Can Do

For better results, he said, talk to the heart and not to the head. The average prospect is not interested in technical terms about a policy. He wants to know what insurance can do for him.

Play on the heart strings; talk of families and things near and dear to the prospect. Don't discuss figures or comparisons between companies and policies, but employ emotional appeals which fit the occasion.

The agent's greatest danger is fear. "If you have fear in your heart—fear that you can't sell a prospect, you won't," he said. Many agents convince themselves the prospect is not going to buy before they make the call. And some salesmen carry a perpetual depression wherever they go.

Big Men Also Have Emotions

"Remember that men in the highest walks of life are human and just as susceptible to emotional appeals as those in the lower levels. Everyone is interested in himself, his family and the future.

"Learn a lesson from every failure and make use of it on the first occasion. Get in the right mental attitude toward your business and your company. In short, get excited about what you have to sell. With enthusiasm, energy and the right application of your time, success will be yours."

Holcombe Says Agents Must Help to Save NSLI

LOUISVILLE—J. M. Holcombe, Jr., managing director Life Insurance Agency Management Association, speaking before the joint sales congress of the Kentucky and Louisville Life Underwriters Associations, said veterans have been discarding their government life insurance policies with the same abandon that has marked their discarding of service clothing, and that life agents must do something to convince the veterans they have good, cheap insurance.

"The life insurance agency will stand or fall as a public service institution on how well it does its voluntary job of selling veterans on the value of keeping their G.I. policies," he said.

It is easy for a company manager or executive to tell his men to urge the vet to continue his government policy, but to the agent working on a commission that is money out of his pocket. However, that is what the agent must do if his job is to become a profession instead of a business. Being a life insurance salesman should be a secondary function or consideration as compared to

Now
\$35,117,087.47

~~\$27,440,828.52~~

ASSETS 1945

LIBERTY NATIONAL
Life Insurance Company
ORGANIZED 1900
BIRMINGHAM, ALA.

An Emblem



of Distinction

Sound business management and very low mortality have given Lutheran Mutual the distinction of being one of the very lowest net cost companies in the United States.

Inquiries, regarding agency openings, are invited from Lutherans.

LUTHERAN MUTUAL LIFE INSURANCE COMPANY
Waverly, Iowa

acting as a consultant to the public on problems of economics."

R. A. Palmer, St. Louis, regional manager John Hancock, said industrial insurance with its weekly payment plan is bringing life insurance to millions who would not otherwise have it.

Stein Heads Colo. Round Table

David H. Stein, Pacific Mutual, Denver, has been elected president of the Colorado Round Table. Elizabeth Hutchinson, Denver, is secretary; Howard Stewart, vice-president for the Denver area; J. Morris Howel, vice-president for northern Colorado, and Roger

Nelson, vice-president for southern Colorado.

Plan Weekly Premium Rally May 16 at Atlanta

ATLANTA—An innovation here, the Atlanta Life Underwriters Association will hold its first annual weekly premium conference on service and sale ideas May 16. It will be an all-day affair, with luncheon and several prominent speakers.

Everhart Cunningham, president, will preside. Speakers will be C. L. Askiss of Metropolitan Life, Norfolk, Va.;

R. A. Smith, Rome, Ga., manager National Life & Accident; D. J. Shanahan, Gulf Life, Miami, Fla.; M. L. Fox of the field training division of Metropolitan Life; M. S. Blitch, training superintendent of Life of Virginia, and W. W. Colson, Life & Casualty, Tampa, Fla.

Buffalo—Mary A. Murray, marketing research specialist of Penn Mutual Life, will speak May 3. She is in charge of her company's national prospect bureau, which she organized.

Richmond, Va.—Robert Wilson and F. J. Barnes, Jr., member of the executive committee and executive secretary respectively of the Richmond Citizens Association, a non-partisan organization, engaged in efforts to make Richmond a finer town, told of its aims and objectives.

Nashville, Tenn.—"Planned interviews will develop qualified prospects and give you a high average of sales," Robert J. Seay, Birmingham, Ala., manager of Metropolitan Life, declared. Speaking particularly to weekly premium agents, he illustrated plans for selling life insurance supplemental to social security.

Bluefield, W. Va.—C. D. Rhodes, president, reported on the N.A.L.U. midyear meeting at Omaha, and Bernard S. Wilkinson on a recent conference in Charleston.

Bay City, Mich.—Jack Rabinovitch of Flint, past president Michigan Life Underwriters Association, at a meeting outlined achievements and progress of organized life agents in Michigan and offered suggestions as to the most fruitful types of prospecting. Leon Harris, chairman, reported on progress of an insurance course for veterans being sponsored in cooperation with the local veterans' institute.

Fort Wayne, Ind.—Howard Meld, Equitable Society, past president of the Fort Wayne Association, spoke on "Business Progress."

Muncie, Ind.—Dr. Robert I. Mehr, associate professor of business administration at Butler University, Indianapolis, spoke on "Analysis of the Market for Life Insurance."

Santa Barbara, Cal.—The Southern California caravan of the Los Angeles association gave the program, with more than 50 members in attendance.

Speakers were Rolla R. Hays, New England Mutual, president California association; Edward Choate, New England Mutual, president Los Angeles association; W. H. Siegmund, Connecticut Mutual Life, and H. L. Tilsner, Prudential.

Bay City, Mich.—Discharged war veterans and others interested in life insurance are being afforded opportunity to learn fundamentals of the business at a course sponsored by the Bay City association, which is supplying the instructors.

Minneapolis—Life insurance can replace personal earning power lost in any of four ways—death, disability, old age or unemployment. Corinne Loomis, John Hancock, Boston, declared at a meeting in charge of the women's committee.

Waterloo, Ia.—Henry M. Meese, Daventry, Ia., general agent of Travelers, spoke on "Being a Winner." He also addressed the Waterloo Managers Association.

Springfield, Mass.—Dr. Calvert Stein, former navy psychiatrist, will speak on "Hidden Springs of Human Action" on May 6.

Pittsburgh—Herbert H. Linn, manager for Prudential at Pittsburgh, will speak May 7 at Connellsville on "Three Swings." "Direction Determined" will be the subject of George H. Jones, Pittsburgh assistant general agent for New England Mutual at Washington May 8. A. Kenneth Hemer, Metropolitan manager at New Castle, will speak on "Selling—Not Telling" at New Castle May 9. C. Brainerd Methey, Pittsburgh manager of Fidelity Mutual and president of the Pittsburgh Life Underwriters Association, will speak on "The Magic of Life Insurance" at Butler May 10.

White Named at Urbana, Ill.

Harry C. White has been appointed district manager of General American Life at Urbana, Ill. He entered life insurance after an extensive career in investment securities.

Pacific Mutual Life—New paid for life insurance in April increased 79% over the same month of 1945. Accident and health business was up 51%.

ACCIDENT

Companies Operating in Zone 4 Told to Furnish Breakdown of Experience

LANSING, MICH. — In accordance with action taken at the commissioners' Zone 4 meeting in Pierre, S. D., Insurance Commissioner Forbes of Michigan, zone chairman, has directed health and accident carriers licensed in any of the eight states of the zone to provide a statistical break-down of their experience to show what policy lines, if any, are returning excess profits.

Each of the companies was given a copy of the Pierre resolution and an information schedule form to be filled out and filed with the Michigan commissioner. That form provides for this information: Policy form number; name of policy, if any; limited or full coverage; class of coverage (accident, health, accident and health, group accident and health); premiums written; premiums earned; losses paid; losses incurred; loss adjusting experience; underwriting expenses incurred; ratio of losses incurred to premiums earned, losses paid to premiums earned, losses paid to premiums written, loss adjustment expenses incurred, and underwriting expenses to premiums earned.

Nine Medical Plans Qualified by A.M.A.

Plans in nine states were admitted to membership in Associated Medical Care Plans at the initial meeting of the corporation held last week at the Chicago headquarters of the American Medical Association. The plans admitted included California, Iowa, Michigan, Ohio, Oregon, Pennsylvania, New Jersey, Nebraska and Surgical Care, Inc., of Kansas City, Mo.

The board of the corporation discussed organization, operation and the admission of members. Another meeting is to be held in San Francisco during the first week in July.

A seal is in process of development which will identify plans which meet A.M.A. standards.

Newly-elected Care Plan officers are: Dr. F. L. Feierabend, secretary of Surgical Care, president; William Bowman, executive director of the California plan, vice-president; Jay Ketchum, executive vice-president of the Michigan plan, secretary, and Dr. Norman Scott, medical director of the New Jersey plan, treasurer.

Continental Cas. Branch Moves

NEW YORK—Continental Casualty's accident - health and hospitalization branch office has been moved to new and larger quarters at 110 William street. R. J. Keane is the manager.

Beneficiary Clause Invalid

LOS ANGELES—Commissioner Garrison's action in disapproving clauses in disability policies providing for a change of beneficiary after death of the insured has been upheld in an opinion by Attorney General W. Kenny, who asserts such clauses are contrary to California law.

Insurance on C. B. & Q. Victims

Facts about some of the accident and life insurance policies of those killed and injured in the Burlington wreck at Naperville, Ill., the other day are known. Great Northern Life of Chicago had an assured under an American Automobile Association pedestrian and travel accident policy and Great Northern will pay \$10,000 on the account.

Travelers had one assured that had a \$10,000 principal sum accident policy with double indemnity for railroad accidents and that also had a \$15,000 life policy with double indemnity. Travelers will thus pay a total of \$50,000 on him.

GUARDIAN IS PROUD OF ITS PART IN THIS FIGHT

No industrywide activity, Guardian believes, is more vital today than the effort to keep the American people vigilant against the peril of inflation.

Guardian is proud to be one of the 162 Life Insurance Companies in America who since 1943 have financed the far-flung campaign run by the Institute of Life Insurance to arouse the public to this critical danger—the most conspicuous part of which you see in the ads in your local newspapers.

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

A Mutual Company Established 1860

Home Office: 50 Union Square, New York 3, N. Y.

GUARDIAN OF AMERICAN FAMILIES FOR 86 YEARS

ATLANTIC OFFERS BROADER JUVENILE COVERAGE

In line with the Company's progressive policy of providing its representatives a complete line of contracts for their clients, effective April 1st, four new policies were added to accommodate the fast growing juvenile market. Our complete line of juvenile contracts include: Ordinary Life-Selected Risks; Life Paid Up at Age 60; 20 Payment Endowment at age 60; 20 Payment Life; 20 Payment Endowment at Age 85; 20 Year Endowment; and Endowments maturing at Ages 17, 18, 19, 20 and 21.

All of these contracts, in the event of death, provide for payment of the ultimate amount at age 5, whereas formerly, the Juvenile contracts provided only for the payment of the ultimate amount at age 10.

This expansion of Juvenile coverage is another reason why 1946 offers an outstanding opportunity for Atlantic Life representatives under the Company's salary and incentive commission plan of operation.

Agency and managerial opportunities available in Virginia, North Carolina, South Carolina, Maryland, District of Columbia, West Virginia, Tennessee and Texas.

ATLANTIC LIFE INSURANCE COMPANY

Richmond, Virginia

Organized 1899

Directing the Way Toward Financial Security Since the Turn of the Century



Managers Stress Training Methods

(CONTINUED FROM PAGE 3)

must the agent learn so as to deliver what he promised.

Mr. Smith asked whether the managers had the principles in their agencies down on paper so that they and their assistants could teach them. These principles must be adjusted from time to time as the agency goes through evolutionary changes. He said now agency heads must hire men not for their success in the business but those that can and will deliver what they promised to the public.

In his agency the initial training is to teach the philosophy of the agency and a conception of what the agency is going to do. Nothing else at first is attempted. Then he is taught a simple, effective approach.

"I don't think a good training course conceivably could be conducted under 24 months," Mr. Smith concluded. He also said an agency could not operate without daily reports or "barometers" from its agents to permit detection of their weak points and so they may be thrown back into courses which they need. Any training system should contain gauges of development other than merely volume of production, he said.

Mr. DePau, whose district office lost only six men over the last five years of war, emphasized the need for a positive approach and appreciation of men. Constant criticism, especially on petty matters, kills enthusiasm in the agency. Too many supervisors, he said, won't take the time to find something to praise a man about. He does not, however, believe in flattery. It is easily detected and makes men think even less of the manager or supervisor.

"Try to avoid telling a man outright that he is wrong," Mr. DePau said. "You can phrase it more diplomatically to convey the same idea. Practically

every man has hidden talents. Our job is to find them and develop them."

He does everything to put an agent at ease in the office, to relax him and break down the barrier between management staff and salesmen. For one thing, Mr. DePau in talking with an agent comes out from behind his desk, which is the "seat of authority" in the office, or he goes out to the agent's desk to talk.

"Try to distinguish between cause and effect," he counseled. "A man gets torn down enough in the field: he has only one place where he can be built up—in the office." Mr. DePau makes notes of each interview with his agent. He makes sure that the agent leaves the interview in a good state of mind and if he is not, Mr. DePau will not let him go but does something about the bad attitude. His whole philosophy is to make his agents feel important, to encourage them to talk, and to give them ideas.

"The problem now is not finding manpower but finding the right men," Mr. Small said in the panel on recruiting. "We all want to make a reasonable profit; honor and glory are not negotiable. We want to have successful men around us, to have the agency successful and with a fine reputation. This can be achieved only by having a good reputation for those who compose the agency."

Mr. Small said when he was sent to Peoria he inherited a small, virtually defunct agency, without any agents on the staff. One agent came back of his own accord. Agent No. 2 was acquired after 55 interviews of applicants, and after Mr. Small had raised maximum age limit to 55. His average now is over 40 interviews to secure each agent. Men hired come from direct personal acquaintances or centers of influence. By 1945 he had placed only six men full time on the staff but had built up to over \$2¼ million annual ordinary production and some group insurance in addition. He has made it an invariable rule to terminate undesirable agency

connections as quickly as possible. When the agency head makes a mistake in his selection he should admit his error as soon as it is discovered.

Henry Persons, Mutual Life manager in Chicago, told little about recruiting for war manpower restrictions practically closed up his shop as soon as it was open, until V-J Day. He did tell his reactions to starting a new agency from scratch in a strange city. When he found men could not be taken on because of restrictions, he continued his recruiting, but keeping these men in reserve subject to an easing of restrictions or the end of war.

In line with this objective, soon after going to Chicago he sent a letter to all the Mutual Life managers throughout the country asking them to put him in contact with some of their best friends in Chicago. The managers responded nobly. Mr. Persons collected a list of 176 top flight men to use as centers of influence in finding his material. He met them one by one under the most favorable circumstances and had a perfect introduction.

"I am trying to be realistic as I bring the new man into the business," he said. "Think of all the reasons now why he should not come into it, rather than to have the negatives come up later to cause trouble." Mr. Persons uses the aptitude index, eliminating everything less than B. Age is a very important element; the prospective agent's contacts are another vital factor. He must have a good eye, look the manager straight in the face, Mr. Persons said. He thinks also it is important in the future to keep up the recruiting more or less continuously. For a while it may continue fairly easy to get men, time will change. Therefore he is thinking of men in 1947, 1948 and 1949.

He keeps likely men on a mailing list, knows where they can be reached. "Recruiting won't always be as good as it is today," he commented. "We are trying to recruit to a schedule. It is easier to handle two men than one. We have a deadline up to which the staff recruits."

"There is a challenge now to develop a reputation for building successful men in life insurance agencies," Mr. Coffin stated. "You will probably agree we have not accomplished that part of our job. Our real goal is public acceptance of life insurance selling as a fine profession in which they will be willing and even eager to have their children or other relatives engaged."

He said one of the chief obstacles now is the current condition of the business, which he finds "nothing short of fantastic." There is a tendency in life agencies to neglect the building job because it is so easy to get men offering possibilities. Another obstacle is that many managers have become rusty in the war period, especially in training men.

Mr. Coffin especially commented on the A. R. Jaqua course on life insurance marketing in Purdue University, in which the Life Insurance Agency Management Association is greatly interested. He finds this course thoroughly practical. There are seven or eight other universities that are eager to launch similar programs, he said, including the universities of Oklahoma, Wisconsin and Connecticut. He said L. I. A. M. A. is trying to keep these university experiments under control as there could be an unfortunate outcome in this project if the approach is merely to get students and income.

Another project of L. I. A. M. A. is the regular intermediate training program in various cities sponsored by local associations under the direction of officials of the National Association of Life Underwriters.

The mass recruiting of the past was very bad, he said, admitting that much of it came because of home office pressure for more and more business and due to the fact field management followed the line of least resistance.

"We might as well recognize that our business is different, that it requires dif-

ferent approaches, methods and techniques," he said. "The life agent is a professional adviser as well as a salesman. He can suggest a course of action and then attempt to sell the idea of taking that action. This takes a superior brand of training. Both phases of the agent's job must be remembered in this program. A third phase, specialization is developing, especially in large cities."

A real sales philosophy is demanded in the agency, Mr. Coffin commented. An agency tends to become strong dependent upon the development of such a philosophy. He cited a Nebraska agency which had been built on the philosophy of selling very largely retirement income contracts. All the agents in this office are succeeding far better than average.

Agency Leadership Must Be Good

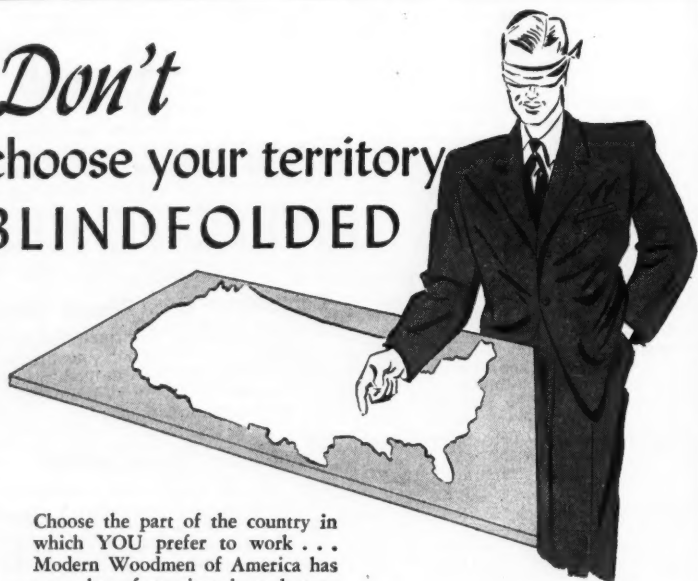
"The public has been educated to expect more of the life insurance agent than 20 years ago, so the agent must give more and so must the agency head," Mr. Coffin said. "It looks as if in this business we will come out, in view of this trend, with a plan calling for materially smaller agencies to attain the great size of the past."

"I think the head of an agency must get busy and make the force of his personality and the benefit of his knowledge felt right down the line. He can't any longer be a button pusher. He must set the objective not only of volume but of men trained and in production."

"There is one thing that nobody can do except you—and which is more important than all else—this is the matter of the agency head's personal leadership. If it is strong, he will have reasonable success with poor plans; if his plans are strong, the agency will be unbeatable."

E. Norred Trinkle, agency secretary of Shenandoah Life, has been elected president of the Roanoke Lions Club.

Don't
choose your territory
BLINDFOLDED



Choose the part of the country in which YOU prefer to work . . . Modern Woodmen of America has a number of openings in each state for full-time District Managers. It will finance men with the required qualifications and provide an excellent territory. A tested program will help you build your future with a well-established sales organization. First-year commissions and renewals are unusually liberal.

If you can produce business personally, supervise a given territory and appoint sub-agents you can easily qualify.

In writing please give full details—education and business experience—and send a recent photograph. An early interview will be arranged.

Write to—Field Department

Modern Woodmen of America

ROCK ISLAND, ILLINOIS

→ **Build**
YOUR OWN AGENCY, OR
BOOST YOUR INCOME . .

Here's How:

The Wisconsin National helps you to success and security. It offers a new and attractive life agency plan with a group of select and salable policies—diversified policies—Life, Accident and Health.

Or, you can boost your present income. The Wisconsin National has the policies that will secure increased income for you through new business as well as renewals. Your commissions will be most liberal, supplemented by prompt claim service.

★ For contract and territory in Wisconsin, Illinois, Minnesota, Michigan or Indiana, address Agency Manager.

LIFE ● ACCIDENT
● HEALTH ●

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Chicago Sales Congress Colorful

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partnership insurance for \$10,000 on each man's life.

Mr. Brown said the life insurance business will be good for good salesmen for years to come. He said that he begins interviews by answering NSLI questions which creates initial good. He said that because of NSLI, the average family accepts \$10,000 worth of insurance as a standard and that agents should not be content with writing less than this.

Final speaker on the panel was Robert H. Wienecke, manager of Cook county agencies for Mutual Trust Life, who had risen to full colonel in the infantry, seeing much service in the E.T.O.

Mr. Wienecke said there are two kinds of war veterans in the insurance business. One is the man who was an agent before the war, the second type is the newcomer to the business. In regard to the former, he said this is a wonderful time to get rid of those men who didn't belong in the business in the first place. Then for those returning veterans who really merit a place in the agency, he recommended the best possible refresher courses. These schools and courses have got to be good because the quality of service schools was high and the veterans will compare these courses with the condensed and complete way they learned in the service.

Constant Vigil

He characterized as imperative constant vigilance on the part of agency managers and supervisors to see that old timers returning actually get right back to work. He said that whole hearted return production is the cure for the war jitters of many a returning vet.

Mr. Wienecke said that in many cases experience with returning veterans who have never been in the business will be more favorable than with returning old timers, because the recruits are used to taking orders in the army and when given the order to go out and sell will do so.

One of the most important things to teach a newcomer to the business are company practices.

GROUP'S THE THING

Joshua B. Glasser, general agent for Continental Assurance, described the opportunities in selling group insurance and the success he has had in that field. His theme was that in writing group insurance the agent is increasing the value of his mission by an average of 50 to one. Through selling group, the agent can gain the thrill of paying claims and use the frequent claims as materials for soliciting further coverage.

Mr. Glasser declared that the hospitalization business of 20 million persons covered by the Blue Cross could have been in the hands of group insurance salesmen if the industry had been on its toes in this regard. He said that there is nothing to stop other "not for profit" organizations writing life insurance. He declared that in writing group coverage, considerable leeway should be allowed in setting rates, taking all factors into consideration.

In writing coverage on the 200,000 people he personally has insured under group contracts, Mr. Glasser's primary tactic was to point out to the employer how little he paid each day for each employee. In some cases, this figure was so low that he could point out it would cost the employer the price of one newspaper per day for adequate coverage of each employee.

He said that in all cases employees should pay something under group contracts. This is the only way the employee has to measure the cost of the insurance to his employer and a man only appreciates that for which he has made some sacrifice.

He termed programming in group as

important as in individual insurance, and advocated that the agent install simpler forms of the coverage at first and then keep adding features as the confidence and income of employers and employees in the agent increases. He said group insurance is the answer to the problems of the numbers of uninsurables who have been rejected by the army or who have returned from military service unfit for insurance.

He termed invalid all objections to group insurance, because he said he had written cases on all types and all conditions of companies and that he has never had employees fail to subscribe or a group case go off the books.

Following a drawing, Theodore Wallace, Cramsie-Laadt life manager, was presented a \$25 war bond as door prize.

Presentation to Huth

George Huth was presented an antique silver chafing dish by the association in honor of his wartime work as head of salary allotment subscriptions to war bonds for Cook county. His wife was presented a corsage. Ernest C. Hoy, Sun Life of Canada manager; Roland D. Hinkle, Equitable Society supervisor; Freeman J. Wood, Lincoln National general agent; Eugene Rappaport, Pacific Mutual general agent, and John O. Todd, Northwestern Mutual general agent.

DOUGLAS GIVES VIEWS

Last speaker at the morning session was Lewis W. Douglas, president of Mutual Life of New York, who outlined his views on the present international situation. It is the apparent conviction of Mr. Douglas that the United Nations cannot maintain its prestige unless the United States provides "that amount of force which has always been necessary to preserve peace." He said we cannot fail to lend Britain the amounts she needs; we cannot pass up this opportunity to reestablish the one great ally we have on the earth. He said we cannot hesitate to extend selective service, because it is through this act that we give evidence to the world of our intention to remain strong.

Mr. Douglas declared that France and Britain, the bastions which in the past protected us from enemies, are shattered today.

"We face the peril of being left completely alone, for we are now our own first line of defense," he said. France must be revived and the British commonwealth, riveted to the U. S. by innumerable ties, must regain a good portion of what it has lost in the war.

Civilization faces its last test and the stakes are higher than ever before, he said. The question before us is, "Do we have the understanding, intelligence and sensitivity so as to discharge the responsibilities of being the only nation in the world capable of establishing lasting peace," Mr. Douglas concluded.

Rudolf Leitman, New York Life, Detroit, qualifying member of the Million Dollar Round Table this year with more than 144 life cases for more than \$1 million of paid new business in 1945, told of a very interesting card system which he uses effectively. It gives him ready control of every step in his procedure and a constant check against items which may have been overlooked.

Mr. Leitman believes implicitly in the value of cards. He makes constant use of birthday cards and maintains a birthday book, on the philosophy that there is nobody too big but that he has to stop once in a while and take stock.

Mr. Leitman also calls clients and prospects on the telephone about their birthdays. His birthday card carries the New York Life emblem, so that the prospect remembers the company as well as the agent when he receives it. He also remembers the birthdays of his policyholders' children.

"As they grow older the trend is to

write life insurance on our contemporaries," he said. As soon as the agent goes into the prospect's presence he must arouse the man's curiosity, Mr. Leitman believes, so he uses eye-catchers. By their use he has found his percentage of sales to calls is much improved.

Enthusiastic After 30 Years

Jacob W. Shoul, Mutual Life, Boston, a consistent million dollar producer for more than 20 years, gave his now famous talk, liberally interlarded with droll stories and personal experiences. He had just completed 30 years in the business. "If I had to live my life over again, starting at 21," he said, "would I again want to go into the life insurance business? My answer is, 'Yes, a thousand times yes—in the selling end, for the same manager, with the same com-


pany, the same agents and the same policyholders.'

"Get excited about this business of ours," he exhorted. "Always be enthusiastic about it. People become interested when an agent is enthusiastic about his business."

He said fear is the greatest danger to every beginner in the life insurance business. They all fear to open each new door. "Go buy yourself a doorknob," he counseled. "Take it home, handle it, practice with it."

Teachers A. & I. Trustees

James Mount Nicely, vice-president of the Guaranty Trust Co., and Francis T. P. Plimpton, partner in the law firm of Debevoise, Stevenson, Plimpton & Page, have been elected trustees of Teachers Insurance & Annuity at a meeting of the board of trustees.



PSYCHOLOGISTS SAY . . .

that one successful accomplishment leads to another. Men of Anico, breaking past sales records, understand this fact because Anico has increased their selling volume with practical "down-to-earth" policies.

Forty successful years of service is the public's endorsement of Anico's progressive spirit.

Join Anico's Men of Vision, and let Anico help you "hit and hold your selling stride".

OVER A BILLION NOW \$1,350,000,000

INSURANCE IN FORCE

American National

INSURANCE COMPANY

GALVESTON, TEXAS—W. L. Moody, Jr., President

THANK YOU, UNCLE SAM

Many young men used to consider themselves fully covered if they owned \$10,000 life insurance. Today millions of ex-servicemen realize that the income provided by a \$10,000 policy is insufficient to support a family. We thank "Uncle Sam" for having taught so many Americans such a valuable lesson.

Providing incomes for future delivery is the life underwriter's responsibility . . . and opportunity. By stressing income settlements he can make his valuable services more useful.

LIFE Insurance Company of VIRGINIA

Bradford H. Walker
Chairman of the Board

Robert E. Henley
President



Home Office: Richmond
Established 1871

Sparks Fly at Hearing on A. & H.

(CONTINUED FROM PAGE 1)

could discourage "such a witch hunt" they would be glad to do it.

H. L. Rietz, Metropolitan Life, inquired as to the purpose of the zone 4 action.

Commissioner Knowlton of New Hampshire said that two years ago some interest was expressed in asking for experience by lines. Then the question arose about what would be done with experience when it was gotten. The idea seemed to be to find out companies with disproportionately low loss ratios.

Shortage of Help

Mr. Rietz said that because of the shortage of help, Metropolitan Life had to discontinue many of its ordinary statistical operations during the war. He suggested that it is inopportune to ask for such figures. Strangely, he declared, at least so far as the eastern companies are concerned, the claim ratios during the war went down on personal accident and health business to an embarrassingly low level but during the same period the loss ratios got em-

barrassingly high on group lines. In good times, the expectation is that there will be a lower claim rate, but during the war the lines of experience divided as between group and personal. One reason may be that during the war when so many marginal workers were employed, the insurers were taking on many persons in the group field that they would not write as individuals.

In the personal field, affecting the claims record favorably, was the fact that it was far more profitable for a worker to keep on the job than to receive sick benefits. The experience during the war was very distorted.

Zone 4 Not Represented

There was no commissioner present that attended the zone 4 meeting but John W. Wickstrom of the Michigan department did make some observations.

Paul Rogers, assistant secretary of Aetna Life, pointed out that in the war companies lost at least half of their actuarial and accounting staffs and it was necessary for them to discontinue the compilation of statistics except those

needed for the annual statements and for accounting purposes. Even if the figures were available, they would give a distorted picture, he said. Never before in the history of accident and health insurance did all the factors combine to give such a favorable experience, he said. The principal influences were maximum employment and gasoline rationing. The loss ratio got down to an undreamed of low point. However, over a 13 to 14 year stretch, the loss ratio comes out within a fraction of a percent of the expected.

Mr. Rogers said he would be fearful of whatever use were made of any such figures as zone 4 desires. False impressions would be sure to be created.

Reads Bureau Statement

Mr. Rogers thereupon read a statement that appears in other columns, giving the official viewpoint of the Bureau of Personal Accident & Health Underwriters on what the nature of state regulation of accident and health insurance should be.

C. O. Pauley, secretary of Great Northern, pointed out that in 1934 his company started issuing a policy for the Automobile Club of Michigan. It gave a 75% to 80% loss ratio until 1942, but then from 42-43 the loss ratio was but 35%. He said he is not going by the war experience but intends to get a higher premium during the next two years because of what happened in the pre-war days. During the war years the loss ratio was 15% below normal, but that has to be disregarded, he contended.

Commissioner Kavanaugh declared that states may cause some companies to become so tired that they will welcome federal supervision.

Mr. Pauley stated that if only one state required the figures that zone 4 wants, they might just as well be filed with all states.

Mr. Wickstrom suggested that the industry people file their views with Mr. Forbes.

Wants Expression from Commissioners

Mr. Gordon voiced the opinion that the industry is entitled to an expression of opinion on the subject from the commissioners' A. & H. committee.

Clement Stone, Combined Mutual Casualty, said that the zone 4 commissioners are trying to render a public service. They feel that some companies are not rendering a service and their activity should be curbed. However, he felt that there was a better approach to the problem.

Mr. Pauley said he views these zone meetings with some concern. At the annual meetings there is an opportunity to develop all angles and the industry is thoroughly represented. At the zone meetings the industry is not represented and yet the commissioners there take steps that affect all insurance companies.

Mr. Parkinson indicated the belief that it would be improper for the A. & H. committee to take a stand at Chicago inasmuch as the zone 4 spokesmen were not represented.

Says Implications Damaging

Mr. Gordon declared that no insurance line has a higher loss ratio than accident and health. The studies made by Prof. Ralph Blanchard for the social security board showed that over a five-year period the ratio was 55.

The implication that the accident and health companies are operating on a low loss basis is damaging and the damage is undeserved, he declared. The A. & H. insurers pay one claim out of 5-6 policyholders and they have fewer complaints than almost any line. It is not fair for public officials to imply that there is a great deal wrong with accident and health.

The industry, he said, is having a tough enough fight against government competition.

Mr. Kavanaugh declared it is improper to give out figures that are unfair to state supervision and to industry.

The committee was in open session all day Monday on revisions of the

standard guide. There was a short executive session and then a cocktail interlude with Health & Accident Underwriters Conference as hosts. That evening there was the special session held at the request of the industry people.

Commissioners present included Parkinson, Illinois; Ensor, Maryland; White, Mississippi; Kavanaugh, Colorado; Knowlton, New Hampshire, and these deputies or other departmental men: Cohen, New York; Shands, Florida; Ross and Burks, Illinois; Goodwin, Connecticut; Wickstrom, Michigan, Alexander, Pennsylvania; Whitten, Maine.

Mr. Parkinson opened the proceedings by calling upon Mr. Goodwin to report as chairman of the subcommittee on the official guide. Mr. Goodwin recalled that the subcommittee met at Grand Rapids in December to consider changes in and additions to the guide, again at Chicago Feb. 7-8 and at New York March 27-28.

Purpose of the Guide

Some suggestions, he said, overlook the purpose of the guide since they had to do with matters of law rather than rulings.

The sub-committee has eliminated all matter which is determined by state law, and confined its study to matters which may properly be considered under the head of departmental rulings.

Some of the extremely controversial suggestions and those that are contradictory to suggestions made by other insurance departments have been postponed until such time as it shall appear that there is a greater unanimity of opinion among the states.

The sub-committee gave consideration to the suggestion that all policy forms being currently sold be resubmitted for review, but decided it would be unwise at this time to impose this very large additional task on departments already overtaxed by the many problems growing out of the S.E.U.A. decision.

The changes and additions recommended would become effective Jan. 1, 1947, and a revised edition of the guide would be prepared.

If reprinted, this will be the third edition of the guide to be printed in three years.

It is recommended that printed revisions or amendments should not be published oftener than once in two years.

The first proposed change more definitely puts family expense contracts within the purview of the guide when not written on a group or blanket plan. Mr. Goodwin emphasized that the guide has no reference to group, but suggested that it may become desirable to tackle the group field in much the same manner as the group life definition is now being overhauled.

Considerable discussion was elicited by the recommended provision that the



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Our record of growth since this prestige-building plan was adopted, is proof of its soundness.

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Check our Financial Statement and our 36-Year record of progress.

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Insurance in Force \$96,573,528

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Agency Vice President

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President

L. J. BAYLEY
Secretary

HOME OFFICE—SYRACUSE, N. Y.

word non-cancellable, shall not be used unless the policy is both non-cancellable and guaranteed renewable to age —.

Mr. Parkinson asked whether it would be advisable here to specify certain ages such as 60, 65 or 70. He suggested that an insurer might circumvent the spirit of the requirement by using some young age such as 30. Mr. Goodwin voiced the belief that no department would look favorably upon such a scheme.

Mr. Shands asked whether a policy that terminates upon payment of a principal sum could be considered non-cancellable. He said the Florida department recently was called into a dispute where an insured under a non-can policyholder collected the principal sum for loss of one foot and one hand, kept paying premiums and then claimed benefits for a subsequent injury. The insurer, he said, paid off the claim because of its nuisance value.

Clement Stone, Combined Mutual Casualty, observed that most non-can contracts do not provide specific indemnities.

Views of C. O. Pauley

C. O. Pauley, Great Northern, said the policy isn't a policy any more after the aggregate indemnity has been paid.

There was much debate over the proposed amendment to the provision for labeling limited policies and the final decision was to employ language suggested by Parkinson that differed somewhat from the sub-committee proposal.

The question developed into what is a limited policy. The objective of the committee is to prevent insurers from misrepresenting benefits by headlining the largest indemnities that it is possible to recover and obscuring the fact that the sums paid for common accidents are paltry.

Mr. Gordon said one state is advising insurers to start with the smallest benefits and then refer to the larger payments for the remote contingencies. By doing this an insurer would not have to label the contract as a limited policy.

Mr. Parkinson voiced the opinion that such a procedure would be desirable.

Mr. Cohen said that at least such a policy would not be "an assist" to misleading advertising in which the big benefits are featured.

Age Misstatement

There was a lengthy discussion on the proposal: "Any provision which affects the liability of the insurer because of misstatement of age shall provide in substance that if the age of the insured has been misstated the indemnities payable under the policy shall be such as the premium specified in the policy would have purchased at the correct age but within the limits fixed by the insurer in its classification of risks and premium rates on file with the insurance department."

Company people strongly objected to such requirement, for one thing on the theory that it would give assured guilty of fraud undeserved dues. Some of the department men indicated their belief that age misstatements are due usually to the action of agents. Parkinson said, for instance, so-called wrecking crews will move into a town, give it a going over for a few days to sell as many policies as possible and capture the membership fee. Finding a ready prospect a year or two over the age limit, the canvasser will instruct the man to insert a lower age.

Signing in Blank

Ensor of Maryland also mentioned the fact that many agents get applicants to sign the form in blank. H. L. Rietz, Metropolitan Life, said whenever a department discovers such a situation it should get tough with insurer and agent. An insurer should be able to detect these cases. Most insurers, under such circumstances, he said, would pay the claim and fire the agent.

Mr. Ensor said an industrial company for several years has been active in the Negro field on the Eastern shore. The agents, cahoots with two doctors, were getting signatures in blank to appli-

cations and medical examination forms. The latter were completed by the doctors. The insurer is now trying to clean up the situation but has been unable to fire the agents because their union won't allow it.

Mr. Pauley said he is in process of drafting a non-can policy with an incontestable clause, but that if it is required that he has to provide cover for those that are over the top age when the policy was written, he will abandon the idea of using an incontestable clause.

Payne Breaks Log Jam

R. A. Payne of Travelers broke the log jam by offering this alternative language:

"If the age of the insured has been misstated, any amount payable under this policy shall be such as the premium would have purchased at the correct age except that if the policy would not have been issued or effective at the correct age under the insurer's rule, on file with the insurance department, then the policy shall be void."

"Any premium paid to the insurer for any period not covered by this policy shall be refunded."

Non-Occupational Question

There was considerable discussion of the proposed new provision that if the policy does not cover accident or sickness arising out of or sustained in the course of insured's occupation, the word "non-occupational" shall appear in the brief description, unless a rider signed by the insured excluding occupational coverage is attached.

Mr. Pauley said that his company has a policy paying for hospital expenses except where the insured is getting such benefits from workmen's compensation. He asked whether such a policy would have to be labeled non-occupational.

Ralph Alexander, Pennsylvania, inquired why, if the same premium is charged for those covered by workmen's compensation and those that are not, hospital expenses should not be paid for all insured.

Mr. Pauley pointed out that a man may switch from employment that is covered under the compensation act to other employment.

Mr. Rietz said that this proposed addition to the guide follows group practice. For instance, group disability policies in Maryland that supplement workmen's compensation have to be labeled non-occupational.

Another provision that aroused considerable comment was one providing that no policy shall contain any provision which professes to establish the date of payment of renewal premium as other than the date when such payment is made to any authorized agent or deposited in the U. S. mail.

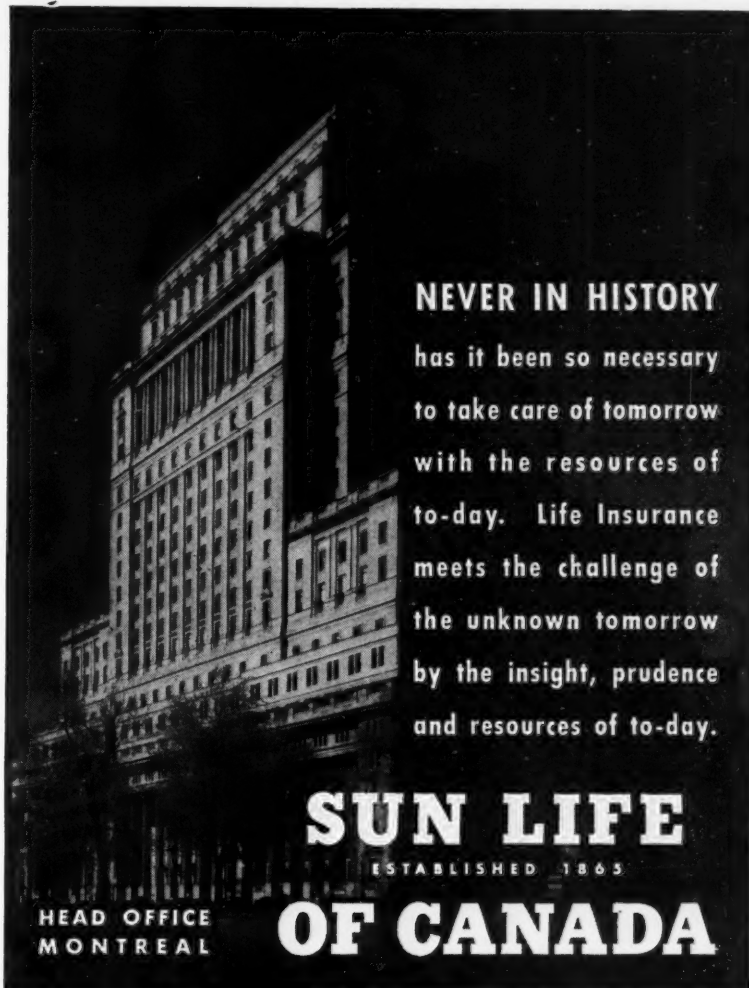
Mr. Rogers said that the objective here is to prevent a requirement that payment shall be made at the home office. Mr. Parkinson said that some companies require all premiums to be in the home office before the renewal date. Marion Burks of the Illinois department said that this would affect mail order insurers that send out policies on approval with the proviso that the contract takes effect when the premium reaches the home office. However, the language was later modified to make it clear that the provision applied to renewal premiums only.

There was also considerable controversy over the proposed provision stating that an endorsement differs from a rider only in that it is applied to a policy by means of printing or stamping on the body of the policy. If the endorsement reduces or eliminates coverage of policy, signed acceptance by the insured is necessary.

Mr. Goodwin expressed the belief that this should cause no hardships, saying that a company could still use a rubber stamp and obtain signature.

Mr. Gordon declared that this is satisfactory for city business but many companies would have to discontinue writing in rural areas if it was necessary to get a signed acceptance of endorsements.

(CONTINUED ON PAGE 23)



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has it been so necessary
to take care of tomorrow
with the resources of
to-day. Life Insurance
meets the challenge of
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by the insight, prudence
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LEGAL RESERVE FRATERNALS

Huge W.O.W. Rally of Field Men

The Woodmen of the World four-day conference of state managers and fieldmen with home office executives in Omaha drew about 250 men from 25 states. Participating were the society's national directors and the national service committee, of which Ray McGrath, Omaha, is chairman.

The fieldmen had qualified for the trip by outstanding achievements in new members, life and new business records in 1945. The conference was held at Hotel Paxton, where W. O. W. was founded in 1890. Gov. Griswold of Nebraska and Mayor Leeman of Omaha, the latter a veteran Woodman, welcomed the field men. There was a tour of the home office, department heads explaining details of the work.

Alden C. Palmer, Research & Review, conducted a refresher course in insurance selling and service. At the conclusion of the conference many of the field men took the examination to qualify for the F. I. C. (Fraternal Insurance Counselor) degree. Max B. Hurt, Murray, Ky., national director, was principal speaker at a banquet. He discussed the purposes of the society's "Fraternity in Action" program. A. L. Yantis, Shelbyville, Ill., national director, spoke at a morning session, and S. A. Matzke, Nebraska insurance director, a member of the society, and J. M. Daniel, attorney general of South Carolina, addressed a meeting of Seymour Camp No. 16. Ed. Williams, consul commander, and Wiley Bagwell, past consul commander, of Atlanta, national champions in the society's contest for perfection in ritualism, took part in initiation ceremonies.

Presents \$400,000 of Business

Evan C. Evans, Kentucky manager, Louisville, presented President Farrar Newberry application for membership and life insurance protection from his state totaling more than \$400,000 in the session the second day. President Newberry announced that previous to this large additional membership enrollment from Kentucky, the society had shown a gain of 1,147 new members in March. W. A. Tidwell, Arkansas manager Little Rock, on behalf of the field men and state managers, presented Mr. Newberry a gold watch and complete kit of fishing tackle.

"Fraternalism is like religion, if it doesn't come from within it isn't worth a cent," Mr. Daniel declared. He stressed the protection, fraternal and civic activities of Woodmen Camps and predicted they would become outstand-

ing as community service centers. In this they will be assisted by the society's new national service committee and by the large national service endowment fund established at the recent sovereign camp.

Insurance Director Matzke stressed the value of fraternalism in the American way of life.

The family group is basic in the American plan, he said, expanding from this into fraternity, and from there into the community and the nation. "The day will come when the world will become fraternally minded and nations will resolve into a world fraternity to help one another solve the problems of getting along together."

Dr. Herbert B. Kennedy, national medical director, was honored by Gen. Guy N. Henninger, Nebraska selective service director, who presented him a service medal for distinguished service as chairman of Omaha selective service Board No. 1.

Howell Named by W.O.W. as Adjutant General

Lt. Col. Edward E. Howell, all-American star of the Nebraska University football team in 1928 and later head football coach at Kansas State Teachers College, Louisiana State and Yale Universities, has been appointed adjutant general of the uniform rank of Woodmen of the World, Omaha. He is working on a program to increase the enrollment and expand the activities, and also on plans to hold five district encampments this summer, at Galveston, Pensacola, Wilmington, Cleveland, and somewhere in Arizona.

He took post-graduate work in physical education at Louisiana State University and received his master's degree in 1937. The following year he was backfield coach of the varsity team there. He was serving as backfield coach at Yale when he entered military service in 1942.

Enlisting in the air forces, he was a first lieutenant, seventh ferrying group, at Great Falls, Mont., and later a captain in command of the air base squadron. He was promoted to major overseas, was division athletic officer and military training officer at Casablanca, then commander of a division noncommissioned officers school at Feddela, French Morocco. He has a reserve commission as lieutenant colonel.

Texas Tax Exemption Upheld

AUSTIN, TEX.—The third court of appeals held valid the act of the legislature of 1937 which exempted fraternal from occupation tax. Suit had been

brought by American Mutual Life, successor to the Brotherhood of American Yeomen, and by Lutheran Mutual Life, for refund of taxes.

Spiritual Development Theme for Fraternal Week Draws Widespread Praise

Several governors have issued proclamations designating May 19-25 inclusive as National Fraternal Week. Mayor C. W. Leeman of Omaha was among the first to issue a proclamation, and Gov. Dwight Griswold of Nebraska was one of the first governors to do so. Harry Emmerson Fosdick of the Riverside church, New York City, endorsed the theme of the week, which is to stress spiritual development.

No formal Fraternal Week address has been prepared as it was the thought that each society and community best could adapt the religious theme to its own needs.

Many favorable comments have been received on the spiritual development theme. A high church leader commented that nothing more important needs to be stressed now than fraternalism, which is grounded deep in religious convictions concerning the essential value and dignity of the human soul. Another said it was necessary to stress the moral and religious values, that the experience of the nations in these tragic years proves that unless social and national life is based on religious truth, it is unstable.

Individual societies and state fraternal congresses are cooperating in promoting the program.

Cal. Commissioner Finds Disability Law Violations

LOS ANGELES—Commissioner Garrison has sent to all fraternalists licensed in California a bulletin relative to disability (accident and sickness) benefits without the issuance of certificates. He calls attention to Attorney General Kenny's opinion in 1944 that a fraternal may not lawfully maintain an accident or sickness insurance plan without issuing benefit certificates evidencing such contracts, and notes that some fraternalists are now providing such disability either directly or through local lodges without issuing certificates, which is in violation of law.

The commissioner demands acknowledgment of receipt of the bulletin, information as to whether the law is being violated, and if so, what steps have been taken to bring operations into conformity with the law, or what it is, steps proposed to take and when.

The societies may discontinue such benefits or henceforth issue certificates, but must submit certificates to the department for approval before they are issued.

J. Hugh Foster, 72, for many years grand secretary of the United Commercial Travelers, died at his home in Evanston, Ill., where he had lived for the past 10 years.

Ohio National Field Men Meet

CINCINNATI—The first meetings of the Ohio National Life field advisory board appointed last December was held here during a two-day conference at the home office with George Wade, general agent, Harrisburg, chairman, presiding. The group will act in a liaison capacity between the field and home office.

Other members present were A. S. Brennan, general agent, Saginaw; Henry Coutret, general agent, San Antonio; B. C. Butler, general agent, Omaha; F. A. McMaster, general agent, Los Angeles; N. E. Glassbrook, manager central division, Lansing, and T. W. Strange, manager, Cincinnati, secretary.

No. Mutual Ohio Hearing May 7

COLUMBUS—Northern Mutual Casualty of Chicago will be given a hearing before the Ohio division of insurance May 7.

Text of Recommended Changes in Policy Guide

(CONTINUED FROM PAGE 2)

new provision should use the words "subject to the consent of the insurer" or "only with the consent of the insurer" or words of similar import."

Add the following two paragraphs: "No policy should be approved which contains a 'strict compliance' clause, as for example: 'Strict compliance on the part of the insured and beneficiary with all the provisions and agreements of this policy, and the application signed by the insured, is a condition precedent to recovery and any failure in this respect shall forfeit to the insurer all right to any indemnity.'"

"If the age of the insured has been misstated, any amount payable under this policy shall be such as the premium would have purchased at the correct age except that if the policy would not have been issued or effective at the correct age under the insurer's rule, on file with the insurance department, then the policy shall be void."

"Any premium paid to the insurer for any period not covered by this policy shall be refunded."

Page 15

V. EXCEPTIONS AND REDUCTIONS. Add under "Exceptions and Reductions" which starts on page 14 the following paragraph:

"No policy shall exclude coverage for the sickness benefits thereunder on the basis accident insurance benefits may have been claimed. No policy shall exclude coverage for the accident benefits hereunder on the basis that sickness insurance benefits may have been claimed. This exclusion should state in substance that the sickness benefits are not payable for any loss resulting from bodily injuries sustained through accident."

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USE OF EXCEPTIONS AND REDUCTIONS

Add the following language to paragraph 3:

"where it immediately follows the benefit provision to which it applies."

Add the same language to paragraph 4.

Add the following paragraphs:

"6. If the policy contains an exception of liability for injury arising out of riots, the exception should be confined to cases in which the insured is participating in the riot."

"7. Any provision which affects the liability of the insurer because of any violation of law by the insured during the term of the policy shall be substantially in the following form:

"The insurer shall not be liable for death, injury incurred or disease contracted to which a contributing cause was the insured's commission of, or attempt to commit, a felony, or to which a contributing cause was the insured's being engaged in an illegal occupation."

6. CERTAIN EXCEPTIONS

In section (b) delete from the second line the word "provides" and substitute the word "states."

In the last line of section (b) delete the word "exceptions" and substitute the words "a reduction."

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TEXT OF POLICY

Under the "Text of Policy" delete the first paragraph and substitute the following:

"a. Use not less than ten point light face type (The text includes all printing of the policy, riders, endorsements, and applications attached thereto, except name and address of insurer, name and title of policy, brief description, captions and sub-captions, attestation clause, signatures and form numbers)."

Fidelity Assurance Ruling Stands

MADISON, WIS.—The Wisconsin supreme court has denied an appeal for a rehearing on a decision affecting claimholders of Fidelity Assurance of Wheeling, W. Va. The court previously had ruled that the \$340,000 left from the funds realized by the state from Fidelity Assurance assets which had been deposited in Wisconsin, after Wisconsin contract holders had been paid 100% on the cash value of their claims, should be returned to the receivers of Fidelity Assurance to help reimburse claimholders in other states. The appeal was on whether the money should not be retained in Wisconsin and distributed as interest on the individual amounts.

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A Legal Reserve Fraternal Benefit Society

Bina Watt Miller Supreme President Frances D. Partridge Supreme Secretary

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Non-cancellable health and accident providing for 52 weeks of disability.

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A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President L. D. LININGER, Supreme Secretary

SHARON, PA.

A. & H. Bureau Position on Regulation

(CONTINUED FROM PAGE 2)

with regard to contract forms to go beyond the scope of the present standard provisions law and the proposed changes is a debatable question. It seems clear that policy forms prescribed by statute are impractical in view of the great variety of coverages in the accident and health field, and would be undesirable in view of the continuing development and change in the coverages offered.

New York a few years ago added two optional provisions to its standard provisions law dealing with certain exclusions. We believe that if exclusions are to be dealt with in the law, the law should be so worded that they would not have to be included with the standard provisions.

Policy provisions which come under the same general caption may differ considerably in the coverage actually given. For example, three policies may each pay \$25 a week for total disability, but one may define total disability as disability to engage in the insured's occupation, the second may define it as disability to engage in any occupation, and the third as house-confining disability. The total amount payable for an injury or illness may vary considerably between a policy using one of these wordings and a policy using another. Arguments may be advanced for the use of each of these definitions. One may be suitable for policies issued only to persons gainfully employed, and another for policies having a more general market. In order to sell a low-cost policy it may be necessary to have a more restrictive definition than is contained in a policy selling at a higher premium. If so, is it more desirable to permit the restrictive definition, or to run the risk that the purchasers of the low-cost policy will be without insurance? The difficulties and dangers in the way of prescribing such policy provisions by statute are very great. Such action would have a strong tendency to stifle the initiative and invention to which reference has been made. It would probably be impossible to obtain agreement at this time among the commissioners or within the industry as to the wording and scope of legislation prescribing policy provisions of this kind. If any such legislation is to be recommended, it should be only after long, careful and expert consideration.

Agree on Policy Provisions

One approach to this part of the problem is to permit insurers, subject to supervision of the commissioner, to agree on policy provisions of this kind which they will use. To carry further the example given above, the underwriting committee of our bureau long ago suggested that in commercial accident policies providing disability benefits for life, benefits be payable for the first 52 weeks for disability of the insured to engage in his occupation, and thereafter to engage in any occupation. We believe that the bureau program based on suggestions of this kind has been a stabilizing and helpful influence, even though the bureau companies in their commercial accident and health departments write a small part of the total accident and health insurance in this country. To permit cooperative action of this kind between insurers under state supervision of this part of the regulatory problem. Even if not a permanent solution, it would probably help to define the nature of additional legislation required with regard to matters of policy coverage.

The insurance commissioner should be given legislative authority to deal with misleading or deceptive advertising. This might be included in the accident and health legislation, but should probably be a general provision relating to the entire insurance industry.

2. Claim Practices — The second problem of accident and health insurance regulation has to do with the practices of insurers in the settlement of claims. Various insurance departments have noted the large

number of complaints coming to them relative to accident and health claim settlements. We believe that an analysis of these complaints in any department, including a comparison of the number of complaints against each insurer with the volume of that insurer's business, will show (1) that most insurers have few complaints made against them, and (2) that the majority of the complaints are against insurers having in force a very small part of the total business. If this is shown to be true, the problem becomes one of making a few companies conform to the standards which most insurers now set for themselves. The most effective way to deal with this problem may be through publicity. Every commissioner probably has the right now, if he desires, to make such an analysis and publicize the result. However, the possibility of repercussions, either legal or political, may make a commissioner hesitate to do so. Consideration might be given to a statutory provision requiring the commissioner to make an annual analysis of complaints filed with him and to publish the result. Instead of, or in addition to, publication, the commissioner might be authorized to give a warning to any company found to have an abnormally high percentage of complaints filed against it, and if the same condition persists for a year or two years (as specified in the statute); after the warning, to impose a penalty by fine, revocation of license, or both.

3. Rates — The third part of the problem of regulation of accident and health insurance has to do with rates. We believe that, because of differences in the existing factual situation, this problem is quite distinct from that of the regulation of casualty and fire rates. We have attempted earlier in this memorandum to give a thumb-nail sketch of the organizations by which, and the manner in which, accident and health insurance is written. From the facts stated it should be clear that concerted action on rates is not an important factor in the accident and health field. There is open and active competition as to rates as well as to all other aspects of the business and the great majority of insurers in the business feel that this traditional American way of determining the sale price of their product, which it is the purpose of the anti-trust laws to preserve, is better than rate regulation by an agency of government. Therefore, if our understanding is correct, any attempt at compulsory rate regulation of accident and health insurance will be strongly opposed by most of the industry. If the supervising authorities of the states and the casualty and fire branches of the insurance industry succeed in reaching an agreement on proposed compulsory rating legislation for those lines, we believe it would be most unfortunate to create opposition to the enactment of that legislation by including accident and health rates.

Provisions Are Inapplicable

Moreover, a very large part of the proposed casualty rating bill would have no application to the accident and health business as at present conducted. So far as we can see there is no need for an accident and health rating law to include any provisions for rating organizations or bureaus, deviations, appeal by minority members of bureaus, and other provisions of the proposed casualty bill.

There is another important difference between accident and health insurance and most casualty lines which requires consideration in this connection. Accident and health policies are renewed year after year and it is seldom that there is any change in rate. Policyholders move from one state to another and the insurer may not know the state of residence of a given policyholder on the renewal date. In the case of non-cancellable policies the renewal rate is fixed at the inception of the contract. It is of considerable importance if the

business is to be economically conducted that rates be uniform throughout the area in which an insurer does business whether that be one state or the entire United States. While there is nothing in the casualty bill to prohibit a country-wide rate, and while we realize that a rating law cannot require the commissioner to approve a rate because it is approved in other states, we believe that any rating law for accident and health insurance should require that rates be determined on the basis of factors relating to the probable future experience throughout the entire area in which it is intended that such rates be used.

Compulsory regulation of accident and health rates might prove much more difficult to administer than regulation of casualty or fire rates because of the wide variety of accident and health coverages and of premiums charged therefor. While this is not a sufficient reason for avoiding such regulation if the public interest requires it, it is a factor to be considered along with other reasons for and against the regulation of accident and health rates.

We have suggested earlier in this memorandum that agreements between insurers, subject to the supervision of the commissioner, as to policy forms and coverages may be a stabilizing and beneficial influence in the accident and health insurance field. We believe consideration should be given to the inclusion of agreements as to rates in a statute authorizing such cooperative action.

Sparks Fly at Hearing on A. & H. Experience Call

(CONTINUED FROM PAGE 21)

Mr. Cohen said that in New York a trial is being given to the practice of permitting a flyer on the face of the policy calling attention to the fact that there is an endorsement.

Mr. Gordon said he doesn't object to a rider being signed because there is the hazard of its being torn off by the agent or being otherwise lost or misplaced. However, he does object to the requirement for signed endorsements.

After scanning the proposed changes, the group heard an appeal from Victor S. Cohen of the New York department for insistence upon more prominent featuring in the policy of termination condi-

tions of cancellable contracts. It was his contention that the conditions of termination should be stated in the "brief description" of the policy. He said New York has had a great deal of trouble with policies that are non-cancellable for the period for which the premium is accepted.

Much dissatisfaction arises from unfamiliarity with the policy provisions concerning termination. A statement concerning the conditions of renewal or cancellation should appear at the beginning of the brief description of coverage on the face and filing back. This procedure is now followed by companies writing guaranteed renewable policies and such requirements should be applied to policies that are cancellable or renewable only at the option of the company.

Where the policy contains standard provision 16 these words should be included in the brief description, "This policy is cancellable by the company." Where the policy is noncancellable and guaranteed renewable, these words should be used: "This policy is noncancellable and guaranteed renewable to age . . ." Where the policy is noncancellable but renewable at the option of the company use: "This policy is renewable at the option of the company only." Where individual policies are issued to members of an association with standard provision 16 omitted and permitting the company to refuse to renew an individual policy only where it refuses to renew all policies issued to members of the association begin: "This policy is renewable at the option of the company as stated in . . ."

Opposes Plan as Awkward

Mr. Gordon expressed opposition to the idea of encumbering the brief description with such a provision. He said that the question is where one is going to stop. Some states wanted the war clause included in the brief description.

Mr. Gordon said he has been pondering the matter and has thought of the possibility of printing in bold face at the bottom of first page in headline style a few of the most prominent features of the policy such as: "First seven days not covered," "Military Service excluded."

Says Emphasis Needed

Mr. Cohen said he agreed that the value of the brief description would be



"I think a canopy of insurance policies is a perfect start for a married life."

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impaired if it was overloaded but he contended that the termination conditions should be emphasized that prominently.

Mr. Gordon suggested that proper captions throughout the policy would clarify the issues.

Mr. Rietz also objected to putting the matter in the brief description. He read the insuring clause of Metropolitan Life's contract which is double spaced and includes standard provision 16. Everyone agreed that this was prominently and clearly enough displayed. In 1945 Mr. Rietz said Metropolitan canceled only 11 policies out of 245,000 in force and it received no complaints.

Mr. Cohen said that if it is not to be put in the brief description, it should be put in 12 point type on the first page.

He said that many companies have the termination conditions in the insuring clause but obscurely worded such as "renewable on payment of premium and acceptance by insurer."

F. L. Templeman, Maryland Casualty, said he agreed that the condition should be as clear as the English language can make it.

Trouble With Oldsters

Mr. Pauley said that most of the trouble comes from older persons who have been insured for years and then have to be dropped. These persons forget what was in the policy.

Mr. Parkinson said the insurance departments can reply much more easily to complaining insured if the language of the policy is specific and prominent.

Mr. Cohen said that New York is as much interested as any state in achieving uniformity but it insists that uniformity should not be achieved on a basis to suit the most easily satisfied state. New York wants to continue to make progress. The New York department gets a great many complaints and feels that the matter is serious and that more emphasis needs to be given to cancellation provisions.

New York, he said, has yielded on many points, but it feels that if there is going to be uniformity it should be on a high plane and not a low plane.

Another request of Mr. Cohen was that it be required that in all applications there be inserted a statement in bold face type immediately preceding the line for the insured's signature reading substantially as follows: "I represent that each of the above answers are true and complete and I understand that the company may void the policy to which this application shall be attached at the time of its issuance, if any of the above answers is false, provided knowledge by the company of the facts misrepresented would have led to its refusal to issue such a policy."

Also there should be reasonably sufficient space in all application forms for answers to questions.

Principal achievement of the second day's meeting was agreement on a definition for franchise A. & H. with recommendations that it be sent to the industry committee to be made up in the form of a model bill and presented at the June meeting.

Mr. Gordon, in his explanatory remarks, said that such a definition has been pending for over five years and action should be taken now. The possibility that it may be considered anti-discriminatory in some states has never been put to test, but Mr. Gordon expressed the opinion that it was not. He said that forming a definition and setting up a bill for enabling legislation would open up cheaper coverage for the country. The definition as passed is:

Accident and health coverage on a franchise plan is hereby declared to be that form of accident and health insurance issued to:

1. Five or more employees of any corporation, co-partnership, or individual employer or any governmental corporation, agency or department thereof; or

2. Ten or more members of any trade or professional association, or of a labor union, or of any other association having had an active existence of at least two years where such an association or union

has a constitution or by-laws, and is formed in good faith for purposes other than that of obtaining insurance.

Where such persons, with or without their dependents, are issued the same form of an individual policy, varying only as to amounts and kinds of coverage applied for by such persons, under an arrangement whereby the premiums on such policies may be paid to the insured periodically by the employer, with or without payroll deductions, or by the association or its members, or by some designated person acting on behalf of such employer or association.

Although Mr. Gordon maintained that he was not in the position of sponsor of a definition, he found himself in such a spot and was recipient of many questions.

He warned that in about five years many more states will have cash sickness plans and if the companies are to write more people, they must be set up to do so. Group plans and the Blue Cross have made a good start, he said, but have been ineffective in halting state fund insurance and franchise might offer a method that would permit companies to write extensively in those states. Two proposals for definitions were brought up, the one employed and another which would restrict writing of civic groups such as Rotary Clubs and Kiwanis. Considerable discussion arose around these points, with Mr. Alexander opposing strongly inclusion of civic groups.

Mr. Cohen proposed that the argument resolve around the question of whether franchise is discriminatory and said that it should be tackled from the angle of changing anti-discrimination laws in the various states. This was considered impractical because each state would then have to review its whole insurance discriminatory laws in order to admit the franchise plan. Mr. Gordon said that the definition and enabling legislation approach is quicker and easier.

House Confinement Clauses

The chief business the second afternoon was a heated debate on house confinement clauses. Mr. Parkinson was somewhat nettled to find that industry had evolved no solution or formal statement on the matter. Mr. Gordon led off the discussion by saying that companies either must use the house confinement clause or take it out and deprive people in lower income groups of health protection.

Mr. Parkinson declared that if industry has no solution to offer, it is likely the question will be taken up by departments individually and laws passed in several states as to its use.

A severe criticism of house confining clauses was given by Mr. Cohen. He said it has led to abuse, confuses the insured and that a policy having the clause is not a disability policy at all. Numerous complaints have been received by the New York department on house confinement and Mr. Cohen noted that whenever it is brought up in court it is tossed out and those that are "cheated" under the clause are the ones that don't use the courts to get their money. Some companies use the clause to gyp the sucker, he said.

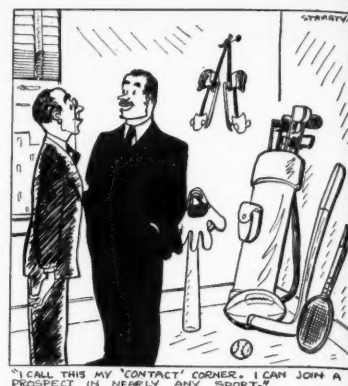
Asked whether he meant that the clause was not clear or simply no good, he replied that it is too clear and entirely unfair.

Company men admitted that some sharp business men used the confining clause literally to reduce payments, but the answer is to get rid of these by revoking their state licenses.

Mr. Cohen cited a number of examples where assured was refused payment for sitting in his back yard, being wheeled about in a park or even visiting a hospital. Mr. Payne said that assured should not be refused payment for this, but certainly for taking a six months trip to Florida even under doctor's orders. Mr. Cohen asked if it were not conceivable that a man could be totally disabled in Florida.

Agents Are Derelict

Disability insurance is sold on the basis of paying for sickness or injury,



Mr. Cohen remarked, and few agents ever tell him that he must stay strictly within his house during sickness in order to receive payment. Then when he does go out he is refused indemnity and doesn't receive what he bought.

Mr. Gordon then suggested that a committee of industry men and commissioners meet before the Portland convention and try to reach a solution. It was decided to appoint such a commissioners' committee including representatives from New York, New Jersey and Tennessee, the three departments most strongly against the clause and industry plans to supply one of its own, to meet in May with the commissioners if possible and try to make a recommendation for the commissioners' meeting.

Commissioners Ensor and White reported on progress this far with revision of standard provisions, but said no conclusions have been reached and recommended no action be taken until after the industry had prepared a report.

Mr. Payne said that although one report had been made by the industry committee, snags had been encountered and they had decided to revise their first recommendations and attempt to prepare a final draft for the June convention.

No action was taken on uniform insuring clauses and uniform benefit clauses.

Group Plan for Md. Auto Men

BALTIMORE—Group life, health and accident insurance for the Automobile Trade Association of Maryland is being written by Sun Life of Canada and Zurich. The cost is equally divided between the employer and employees. The response to the plan, which is now in effect, has been good, J. C. Darrell, manager of the association, said.

Corinne V. Loomis, John Hancock associate general agent at Boston, had a busy day recently. She flew to Minneapolis to speak before the Minneapolis Life Underwriters Association luncheon meeting, on "You and Your Business." She was guest of honor at a John Hancock breakfast, at which were General Agents William Hunter of Minneapolis and Jack Lynch of St. Paul. She was on the air in a five-minute interview over WCCO on a program "Calling All Women" and in the evening was guest of honor at a dinner given by the Minneapolis Women Underwriters.



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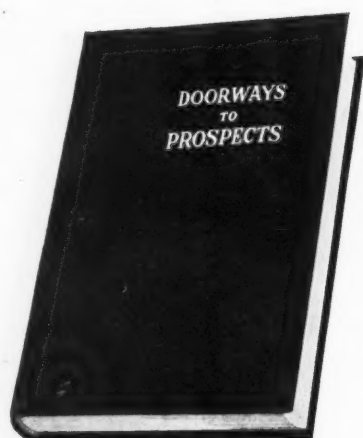
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